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A 'Slow Grind' Ahead For Global Economy

Experts See Tame 2.5% Growth Rate Even in America ('Good as It Gets')

By Erik Ipsen

LONDON — When will this grinding recession end? And how? As encouraging evidence of an American economic recovery crowds in almost daily, much of the rest of the industrial world looks impatiently for hopeful signs on home soil.

But there, the news is not blustery. For the continent and for Japan, the grimness will endure a considerable while longer, with no recovery clearly under way before year's end or early 1995, economists and analysts say.

"I'd describe the outlook for Western Europe in just three letters, Y-U-K," said David Roche, chief strategist for Morgan Stanley International in London.

That, at least, is better than most economists' assessments of the state of the Japanese economy, which is widely expected to be "terrible." There, the sudden implosion of the financial bubble and the faltering response of the government to the crisis continues to rattle the corporate sector.

"I think it will be a fairly slow grind out of the global recession," said Jan Amstad, an economist with Bankers Trust in London.

Four years after the fall of the Berlin Wall and the ultimate triumph of capitalism, the victors and their vaunted system find themselves in a creeping crisis. Long accustomed to economic cycles in which the ebbs of recession are more than reversed by strong surges of recovery, the industrialized world is seeing something new: the rising tide that fails to lift all ships.

"Growth in the '90s will be consistently and systematically below trend," predicted David Kern, chief economist for National Westminster Bank in London. "The only thing you can say is that at least it will be sustainable."

Stripped by years of fiscal excess and by the resulting mountains of government debt of the common means to invigorate their economies — deficit spending — the rich countries find themselves bereft of economic elixirs.

The result is that the envy of the industrial world — the United States and Britain, the two best performing economies — are two economies whose growth rates stand at barely half of what they were in the early stages of an economic recovery.

In the United States, however, optimism has mounted in recent days. On the back of such bullish news as a surge in manufacturing activity to its highest level in nearly a year, some experts now say that the economy

is growth may have spurred ahead to as much as a 5 percent pace in the final quarter. But they quickly add that such rates are not sustainable, pointing to such warning signs as growth in consumer spending now far outstripping income growth. Most analysts say they believe that the economy will limp along at the same lackluster 2.5 percent per annum expansion rate it has averaged

Scores of business people, economists and analysts around the world were asked when the world's industrial economies could expect to return to competitiveness and real growth, and what must be done to get there. In a weekly series of articles beginning with two in today's edition, the correspondents of the International Herald Tribune report and analyze the answers.

ever since the recovery began in America in the spring of 1991.

"This is as good as it gets in the U.S.," said Nigel Gault, chief economist with DRU/McGraw Hill in London. In Britain, meanwhile, in the wake of a recession far worse than that in America and in spite of rising hope of a strong rebound from it, most forecasts show the economy expanding at the same, tame, 2.5 percent rate this year.

Although most economists see both Europe and Japan joining North America and Britain on the growth path in 1995, few if any predict the normal sort of surge that sends unemployment plummeting and incomes nosing up once again.

Unable to paper over the economic cracks with a strong surge of Keynesian spending, and unwilling to do the job with loose monetary policies out of a fear of rekindling inflation, governments are increasingly edging toward more radical but slower acting solutions.

"The tools that remain are not much," said Peter Pietsch, senior vice president at Commerzbank in Frankfurt. "It is wage restraint and deregulation and things like that."

The problem with those solutions is twofold. They take years to achieve their desired effect, and they hurt. Take the current favorite among business people and private economists — wage restraint and deregulation — and you have a recipe for economic disaster.

The select committee he envisions is the same type that recently studied the Bank of Credit & Commerce International and that 20 years ago held hearings leading to the resignation of President Richard Nixon after a White House cover-up of a political burglary at the Watergate complex.



Mr. Clinton speaking Wednesday at the U.S. ambassador's residence in Prague with the presidents of the Visegrad Group of nations, from left: Michal Kovac of Slovakia, Lech Walesa of Poland, Vaclav Havel of the Czech Republic and Arpad Goncz of Hungary.

White House Calls for a Special Counsel

Reversal Comes After Cloud Grows Over Clintons' Finances

By Paul F. Horvitz

WASHINGTON — An embarrassed and frustrated White House decided Wednesday to reverse itself and ask for an independent investigation of the Clinton family finances and the president's former ties with a failed savings and loan in Arkansas.

As President Bill Clinton went to Kiev, Ukraine's capital, and then on to his summit meeting in Moscow, senior aides were preparing an official statement on the issue to be issued later in the day, a White House official said.

At the same time, Senator Bob Dole of Kansas, the minority leader, called for a special bipartisan congressional investigation of the savings and loan and the Clintons' ties to it.

The select committee he envisions is the same type that recently studied the Bank of Credit & Commerce International and that 20 years ago held hearings leading to the resignation of President Richard Nixon after a White House cover-up of a political burglary at the Watergate complex.

The Associated Press and Reuters quoted government sources as saying that the White House statement would call for the appointment of an independent counsel, a step Mr. Clinton has long resisted.

Aides apparently concluded that their weeks of denials in the face of relentless political criticism and news media investigations had failed to subdue public discussion of the president's veracity.

In recent days, leading members of Mr. Clinton's Democratic Party said they believed that he should turn over all his personal files related to a disputed real estate venture in Arkansas and seek an inquiry independent of Justice

Department officials who are now conducting their own review.

This decision by important members of the president's own party appeared to be the final straw and once again displayed the tenuous quality of Mr. Clinton's political stature in Congress.

For weeks, Republicans had called for an independent investigation of relationship of the president and his wife, Hillary, to the failed savings and loan and its former owner, James B. McDougal, a Clinton ally who helped finance his campaigns for governor of Arkansas and who brought the Clintons into the real estate venture, a development called Whitewater.

No evidence has emerged that the Clintons did anything illegal or improper. But like many

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Clinton Hints NATO Would Defend East From Attack

Remarks Appear to Go Beyond 'Partnership' On Security Guarantees

Compiled by Our Staff From Dispatches

PRAGUE — President Bill Clinton signaled Wednesday that NATO would come to the defense of new democracies in Eastern Europe if they were attacked.

Mr. Clinton was speaking at a joint news conference with the leaders of the Czech Republic, Slovakia, Poland and Hungary after trying to dispel doubts over his Partnership for Peace plan.

The plan, endorsed by a summit meeting of the North Atlantic Treaty Organization, pro-

The UN will study whether NATO's idea for air strikes might work in Bosnia. Page 2.
Mr. Clinton's appearance in Prague had the trappings of a Hollywood production. Page 3.

vides for closer military cooperation between NATO and East European countries without giving them concrete security guarantees.

But Mr. Clinton appeared to go further than the text of the Partnership when he was asked whether it was conceivable, given the lessons of World War II, that NATO would fail to come to the aid of an East European country if it was invaded or subject to military aggression.

Mr. Clinton replied that he thought it was "doubtful" that there would be no help. "I think your reading of our reading of history is right," he said.

But the president added that he did not believe any of the former Warsaw Pact members faced the threat of imminent attack.

"Of course, there are always concerns that in the future the darker past might be recreated," he said, adding that there could be "expansionism again."

Mr. Clinton told the leaders of Poland, Hungary, the Czech Republic and Slovakia — the so-called Visegrad Group — that the West has a major stake in the well-being of their nations.

"Let me be absolutely clear," he said. "The security of your state is important to the security of the United States."

He sought to minimize the fact that NATO stopped short of offering the four nations full membership, and he dismissed a question about whether the Partnership made the East European countries second-class cousins.

"The question is no longer whether NATO will take on new members, but when and how," the president said.

On fears among the former Soviet bloc states toward Russia, Mr. Clinton said, "I think the Russian position, the position of the present administration there, is that they will respect the territorial boundaries of their neighbors."

Though the four Visegrad countries had all reluctantly accepted the Partnership plan, Mr. Clinton came to ease lingering concerns. But even after he "sold" the idea to the leaders in separate one-on-one talks, they made clear that their long-term aim remained full NATO membership.

President Vaclav Havel of the Czech Republic said that the Partnership was not "a substitute for full NATO membership" but rather a "first step." He said his colleagues from Poland, Slovakia and Hungary had very similar attitudes on the issue.

The White House also issued a statement on Wednesday announcing a major expansion of Overseas Private Investment Corporation programs in Central and Eastern Europe.

The organization will accept proposals for privately managed investment funds in the region, and increase its per-project lending limit from \$50 million to \$200 million. (Reuters, AP)

Paris and Beijing Reconcile, but Taiwan Will Get a Last Jet Shipment

By Roger Cohen

New York Times Service

PARIS — After a yearlong dispute over French sales of jet fighters to Taiwan, France and China said Wednesday they would restore friendly relations on the basis of a commitment from the conservative government of Prime Minister Edouard Balladur to sell no further arms sales to Taiwan.

With the Chinese economy booming, but French companies effectively excluded from bidding for contracts there since the decision in November 1992 to sell 60 Mirage jets to Taiwan, the announcement amounted to a potentially important development for France's recession-hit economy.

"In view of the concerns of the Chinese side, the French government has undertaken not to authorize any French enterprises to participate in the arming of Taiwan," a joint statement said.

It added that France "recognizes the government of the People's Republic of China as the sole legal government of China and Taiwan as an integral part of the Chinese territory."

This amounted to a restatement, apparently at Chinese insistence, of France's policy since it became the first Western country to recognize Communist China in 1964.

China has regarded Taiwan as a renegade province ever since the Nationalists fled to the island after losing the 1949 civil war. Taiwan still claims to be the legitimate government of all China.

As part of the new agreement, which is to be bolstered by a visit to Beijing by Mr. Balladur in March, China said it would "welcome participation by French enterprises in competition on the Chinese market on an equal footing."

Taiwan condemned the French decision to ban future arms sales, expressing "deep regret" and saying security in the Asia-Pacific region would be weakened.

Following the sale of the Mirage 2000-5 jet fighters to Taiwan, which was valued at about \$3.8 billion, China

ordered France to close its consulate in the southern city of Guangzhou, the heart of one of the world's fastest growing regions, and banned French companies from a \$1 billion subway project there. French companies elsewhere in China also complained of being placed at a disadvantage.

With Europe still in recession and the Chinese economy growing at an annual rate of about 13 percent, the Chinese market is important to European firms — a fact underscored by the approximately \$4 billion in new contracts secured by Chancellor Helmut Kohl of Germany during a visit to China.

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Kiosk Ciampi Is Poised To Quit in Italy

ROME (AFP) — Denial of a parliamentary session devoted to a no-confidence motion in the government of Prime Minister Carlo Azeglio Ciampi, who said earlier in the day he was ready to submit his resignation whatever the outcome, but "not before the parliamentary debate is over."

The motion, which observers said was certain to be defeated, was debated amid growing signs that President Oscar Luigi Scalfaro was poised to dissolve Parliament.

Soccer Player Knifed

STUTTGART, Germany (AP) — A Hamburg soccer player, member of the Hamburg SV soccer team, was slashed in the back by a knife-wielding man on Wednesday night, the police said. His wounds were not reported to be life-threatening.

African Franc Devaluation Sets Off Shopping Frenzy

Compiled by Our Staff From Dispatches

ABIDJAN, Ivory Coast — Residents of West African cities took stores by storm Wednesday as prices began to soar after the devaluation of the CFA franc, a move with radical social implications for most of the countries concerned.

By the end of the morning, most basic products were no longer to be found on store shelves in Abidjan, capital of Ivory Coast, where prices had sometimes doubled and buyers expected worse to come.

In Niamey, capital of Niger, one of the 14 African countries to share the Communauté Financière Africaine franc currency, the Score supermarket was overwhelmed by shoppers despite its reputation as the most expensive in the country.

"People are crazy, they're even snatching up local products whose prices shouldn't go up!" a merchant said.

Many stores remained closed, ostensibly to take inventory.

"No one wants to be the first to increase

prices," said a Lebanese trader selling electrical goods in Abidjan.

The 50 percent devaluation of the CFA franc was forced on reluctant African leaders on Tuesday at a meeting of national leaders in the Senegalese capital, Dakar, by France and the International Monetary Fund. The IMF considered the currency greatly overvalued and said the devaluation was vital to help pull the Africans out of a vicious recessionary spiral.

The African franc has been pegged at 50 to the French franc since 1948 and has been guaranteed by Paris. In cutting the CFA franc's value in half, to 100 to the French franc, France put pocketbook before pride.

But Michel Camdessus, managing director of the International Monetary Fund, said, "This courageous step... will restore competitiveness and encourage growth."

Mr. Camdessus said Wednesday that up to 10 billion French francs (\$1.69 billion) in loans would be provided by the IMF to "facilitate

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Shoppers jamming an Abidjan supermarket after the African franc was devalued.

For Texas Death Row Inmates, There's Life on the Job

By Francis X. Clines

New York Times Service

HUNTSVILLE, Texas — The death row garment factory is humming at midday. Condemned murderers wield scissors and razor-sharp knives as they snip and finish piles of work pants at their sewing machines. A few chat at the coffee urn within relaxed sight of their cage-off guard.

Life goes on and new work pants move smoothly through the skilled hands of the legally doomed 58-man work shift. In the setting of rifle towers and razor-wire fences, the simple task of sewing pants at the Ellis One unit of the Huntsville Quonset-hut factory is a strangely upbeat air, as of some Brechtian production of "The Pajama Game."

The booming workplace, designed for and operated exclusively by a death row community, is the only such prison enterprise in the United States. It has a total of 115 workers, and places for 85 more are being planned.

The work here mundanely ticks along in an almost poetic display of the assembly-line routine that is settling about

capital punishment in Texas and in other of the 36 states that allow it. The factory is being seen as a better way to pass time on the nation's death rows, which have become increasingly busy since the Supreme Court allowed the reinstitution of capital punishment in 1976.

Here, human beings judged incorrigibly beyond the entitlement to freedom and life busy themselves making some final goods for society. As the bobbins whirl, convicts seize the work as a final chance to confound society's judgment of their lives' worthlessness.

"A lot of people who have worked on the death row factory are dead anyway, so it's mostly to prove something to yourself," said James Beathard, a 36-year-old inmate who has been making his sewing machine during legal procedures for the full seven years of the garment factory's existence.

"We do it to say, 'By God, I showed them I'm not really the threat they think I am,'" he said of the satisfaction the factory gives in allowing a man to end life as a simple reliable worker.

"It's weird," he added, "but when you hit Friday's shift, and

arrive at the end of the week, why, everybody's looking forward to the weekend! As if they were back in the free world."

But the garment workers are nowhere near free. All arrive on death row by way of murder convictions. There comes a moment of silence at the sewing machines the morning after an execution. But then work clatters back to life.

State officials say that the death row workers are the most productive in the prison's statewide system of assorted manufacturing ventures. Violent infractions and malingering are rare.

"Some guys turn down the factory job, saying, 'Why should I be making clothes for the people who are going to kill me?'" said Todd Willingham, a 25-year-old condemned man who works on the garment line. "They're taking us hard and fast now with new laws to speed up the killing, and my mind wanders less at the sewing machine."

The factory, whose work force is voluntary and screened, is

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Ukraine to Sign Pact to Get Rid Of Its Arsenal

By Ann Devroy and Dan Williams

Washington Post Service

KIEV — President Bill Clinton and President Leonid M. Kravchuk of Ukraine on Wednesday praised the benefits of an agreement to rid this republic of its nuclear weapons as they began a delicate political dance meant to bolster the pact against assaults by its critics here.

Their joint appearance at a press conference following talks at the Kiev airport seemed to put to rest doubts about whether Mr. Kravchuk would sign the accord on Friday in Moscow with Mr. Clinton and President Boris N. Yeltsin of Russia.

Mr. Clinton stressed the economic benefits to Ukraine as it gives up its arsenal of 1,500 warheads. He cited compensation for the uranium in the warheads, international loans, increased trade and new foreign aid.

"We are prepared to increase our support substantially as Ukraine moves toward economic reform," Mr. Clinton said.

"This day and the days to follow will open the road to disarmament for the world," Mr. Kravchuk said.

Statements Tuesday by a Ukrainian Foreign Ministry spokesman that the agreement might not be ready for signing Friday, when Mr. Clinton, Mr. Kravchuk and Mr. Yeltsin meet in Moscow, were wrong, U.S. officials said.

Administration officials would not be drawn into a debate in Ukraine over whether it was a treaty that needed parliamentary approval or whether it was a stand-alone agreement that could be fully put into effect without approval by the legislative branch.

A U.S. official described Ukraine as "divided

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Dow Jones		Trib Index	
Down	1.68	Down	0.42%
3,848.63		111.90	
The Dollar			
Wtd. close	1.7338	previous close	1.7419
DM	1.5035		1.49
Pound	1.1227		1.1245
Yen	5.896		5.921
Newsstand Prices			
Bahrain	0.800 Din.	Moldo	25 c.
Cyprus	0.800 D.Kr.	Nigeria	50.00 Naira
Denmark	14.00 D.Kr.	Norway	15 N.Kr.
Finland	11 F.M.	Oman	1.000 Rials
Gibraltar	0.85	Qatar	8.00 Rials
Great Britain	5.085	Rep. Ireland	2.00 P.
Egypt	5.000	Saudi Arabia	9.00 R.
Jordan	1.000	South Africa	8.50
Kenya	1.000	U.A.E.	2.50 Dirh
Kuwait	500 Pils.	U.S. Mail	1.00

Swiss Put More Heat On France To Explain

ZURICH — Switzerland stepped up diplomatic pressure on France on Wednesday to explain why it sent home two Iranians last month who were wanted in Switzerland for the murder of an Iranian dissident.

The government said in a statement that it had "charged the Foreign Ministry to request from the French government an explanation for its decision not to proceed with the planned extradition."

The two Iranians are wanted for the 1990 murder in Geneva of an Iranian dissident, Kazem Rajavi, brother of Massoud Rajavi, head of Iran's Iraqi-based Mujahidin Khalq guerrilla movement.

Hours before the Swiss statement, the French interior minister, Charles Pasqua, bluntly rejected a U.S. request for clarification.

"I have no explanation to give the Americans," Mr. Pasqua said in a radio interview. He added, referring to President Bill Clinton, "I am not an employee of Mr. Clinton."

Countering U.S. criticism, Mr. Pasqua said Washington had rejected a French protest over the presence in the United States of an unidentified leader of Algeria's banned fundamentalist Islamic Salvation Front.

Mr. Pasqua repeated that France had acted out of national interest. "Some things cannot be said," he added, "in a few months, we shall see."

He again refused to elaborate, despite an opposition demand in parliament for an explanation.

The Swiss had sent France a sharp protest note at the end of December when it released the two Iranians, Moshen Sharif-Esfahani and Ahmed Taheri, from prison and sent them back to Iran.

Switzerland says the decision broke the European extradition accord.

Balladur Climbs In French Survey

PARIS — The popularity of Prime Minister Edouard Balladur has risen to 60 percent, although an even larger share of French voters are unhappy with his conservative government, according to a poll released on Wednesday.

The survey, to be published Thursday in the weekly picture magazine Paris-Match, said Mr. Balladur's popularity had risen four points, from 56 percent last month. But 62 percent of French voters were dissatisfied with Balladur's conservative government, down from 65 percent in December. The survey did not explain the contradiction between the sour feelings toward the government and the continued support for Mr. Balladur.

The popularity of the Socialist president, François Mitterrand, climbed five points, to 49 percent.

Radio Pretoria's Outlaw Voice Challenges Change

By Bill Keller
New York Times Service

DONKERHOF, South Africa — Surrounded by two trenches, a fence topped with loops of razor wire, a four-foot wall of sand bags and a few men with guns, Johannes van der Walt cued an Olivia Newton-John record and prepared to read the news.

As usual here at Radio Pretoria, it was news from a parallel South Africa.

In this news, whites still stand tall, the voices of authority are the Afrikaner People's Front and the neo-Nazi Afrikaner Resistance Movement, an independent white homeland is almost reality, Nelson Mandela is a Communist stooge and elections scheduled for April may or may not take place.

On Monday, after four months of waiting, the government refused to renew Radio Pretoria's temporary license, making its broadcasters outlaws and setting the stage for a showdown almost everyone prefers to avoid.

Operators of the station vowed to continue broadcasting illegally, gambling that

the government of President Frederik W. de Klerk would not dare send the police to storm a station that has become a symbol to many whites of their beleaguered culture and diminishing power.

"It would be a disaster politically," said Pieter La Roux, who supervises security at the radio compound, on a fortified hilltop east of Pretoria.

Radio Pretoria has defied the government and remained on the air.

Although some of the station's more trigger-happy supporters speak with relish of an apocalyptic confrontation, the government seemed inclined to pass the issue to a new, independent broadcasting authority where the station's status could languish for months.

Broadcasting, which used to be a government monopoly, is in a state of flux. There are several hundred applications for licenses pending before the independent authority.

Since it went on the air Sept. 18, Radio Pretoria has extended its broadcasting day from 4 hours to 14, and has become a rallying point for those whites who are

unreconciled to the coming of majority rule.

From its high mast topped with the four-color flag of the 19th-century Afrikaner Republic of Transvaal, the station's FM signal reaches south to the white suburbs of Johannesburg and north into sparsely populated Afrikaner farm country.

On Radio Pretoria, the music is middle-of-the-road and the political outlook is right-of-the-pavement.

"I've heard 'White Christmas' on Radio Pretoria a number of times," said Chris Conradie, the station manager and one of a dozen founders. "I've never heard Michael Jackson. And never will. Not because of his color; because of his music."

Most of the broadcasters are former employees of South African Broadcasting Corp., which is regarded here as being part of the national stampede into decadence and communism.

Mr. Conradie says his listeners pine for the days when South Africa closed its doors on Sunday, gambling was forbidden, and censorship kept out such tempta-

tions as the new, heavily air-brushed South African edition of Playboy magazine.

"Everybody now is falling to pieces," he said. "We are trying to call people back to God, and then to make them proud to be Afrikaners again."

The station declares itself nonpartisan, but it has close ties to the Afrikaner People's Front, an alliance of rightist groups. The outlook broadcast here is ardently Protestant, fiercely anti-communist, and ultranationalist.

No one knows how many whites listen to the station, but those who do seem to be avid.

A month ago, when word reached the hilltop that the state might be planning a raid, Mr. La Roux went on the air to summon support. Within a few hours, he said, a few thousand defenders, armed men with their families, had converged on the compound, planning to throw themselves before an assault that never came.

"This is by no means a fort, and we are not preparing for war," he said. "We realize that in a conventional attack they could blast the tower to ribbons."



Belgrade residents forming a long line for a streetcar, as shortages of fuel and spare parts have forced cutbacks in public transportation.

UN to Study NATO Plan For Bosnia

Compiled by Our Staff From Dispatches

GENEVA — The United Nations secretary-general, Boutros Boutros Ghali, ordered a preliminary study on Wednesday of NATO's threat of air strikes against Bosnian Serbs to reopen the Tuzla airport and relieve trapped UN troops, a spokeswoman said.

Mr. Boutros Ghali has asked his special representative in the former Yugoslavia, Yasuaki Akashi, to examine the feasibility of such air strikes and report to a high-level meeting of UN officials in Geneva on Monday, the spokeswoman added.

Leaders of the North Atlantic Treaty Organization asked the United Nations on Tuesday to draw up urgent plans to ensure that 300 Canadian peacekeepers could leave the eastern enclave of Srebrenica, besieged by Bosnian Serbs. They also asked for UN advice on opening the Tuzla airport for humanitarian relief purposes.

President Bill Clinton said the Western military alliance was considering using air power in both places.

"The secretary-general has asked to undertake a preparatory study in response to the declaration of the heads of states and governments who participated in the NATO summit," the UN spokeswoman, Therese Gastaut, said in Geneva, where Mr. Boutros Ghali arrived on Wednesday.

She said Mr. Boutros Ghali would meet on Monday with Mr. Akashi and the UN mediator, Thorvald Stoltenberg, as well as Marnack Goulding, UN undersecretary-general for political affairs, to discuss the UN feasibility study.

In Sarajevo, relief flights resumed Wednesday with officials lifting the latest suspension, forced by a rocket that hit the runway.

"The Sarajevo airlift is absolutely essential for the city," said a spokesman for the UN High Commissioner for Refugees. The spokesman, Kris Janowski, warned that agency warehouses in Sarajevo were empty.

Underlining the desperate supply situation, Sarajevo radio reported that flour had run out at the city bakery. The UN refugee agency said that 70 tons of flour were scheduled for arrival by air during the day on Wednesday.

The airport remained free of attack by afternoon. But fighting was reported in some other city sections, where no more than several hundred meters separate Bosnian Serbs and Muslim-led government troops.

Bosnian radio reported shelling and small-arms fire in several western suburbs and said Serbian gunners ringing the city had concentrated on parts of the Old Town. There were no immediate reports of casualties.

Serbs and government troops also clashed on several eastern Bosnian fronts and fierce fighting was reported at Orlov, northeast of Sarajevo.

New fighting also was reported Wednesday in central Bosnia between Bosnian Croats and government troops, after fruitless negotiations between the presidents of Bosnia and Croatia on ending the warfare there.

Much of the government push in central Bosnia has been on Vitez, 50 kilometers (30 miles) northwest of Sarajevo.

(Reuters, AP)

UN Chief and General Feud on Air Strikes

By Julia Preston
Washington Post Service

UNITED NATIONS, New York — Severe tensions have arisen between Secretary-General Boutros Boutros Ghali and the commander of UN forces in the Balkans, General Jean Cot of France, who has repeatedly ignored or challenged the authority of his civilian superiors at UN headquarters, according to diplomats here.

General Cot's defiance has left senior UN officials uncertain that they have full control of him, and it has significantly contributed to Mr.

Boutros Ghali's reluctance to authorize the North Atlantic Treaty Organization powers to launch air strikes in Bosnia, the diplomats said.

On Tuesday in Brussels, NATO leaders issued a new threat to use power to support UN forces delivering humanitarian aid in Bosnia.

According to Security Council resolutions, the final approval for the strikes must be given by Mr. Boutros Ghali. He has said he will base his decision on the advice of UN officials in Bosnia, including General Cot.

"I have received no request for the use of air power" from UN officials in Bosnia, Mr. Boutros Ghali said in Paris. "The day I receive such a request, and if I have the support of UN officials who believe it is urgent to use air power, I will be the first to back it up."

Up to now, however, the secretary-general has been hesitant to recommend strikes out of concern that lightly armed UN peacekeepers would face retaliation by more powerful Serbian forces.

In the background is the struggle between General Cot, who has been commander of the 27,000 UN troops in the Balkans since July, and Mr. Boutros Ghali.

The United Nations has repeatedly faced difficulties in imposing its authority over commanders from large and sophisticated armies in its recent peacekeeping operations. In Somalia, it secured the withdrawal of Brigadier General Bruno Loi of Italy after he followed instructions from Rome to avoid fighting with Somali militiamen instead of obeying combat orders from the UN force commander.

Last winter, Lieutenant General Philippe Morillon of France, then the commander of UN troops in Bosnia, was moved by the plight of Bosnia's civilians and led a crusade to the enclave of Srebrenica, against the advice of UN officials.

Last week, Mr. Boutros Ghali dispatched a cable to General Cot, saying his actions were "inappropriate" and "incompatible" with his position. The message was de-

scribed by diplomats as by far the strongest reprimand ever sent to a UN commander.

The cable was prompted by General Cot's saying in a newspaper interview last week that he had repeatedly asked Mr. Boutros Ghali to delegate to him the authority to call in air strikes. General Cot said the secretary-general refused.

General Cot also told Yasuaki Akashi, the top civilian UN official in the Balkans, that he would lobby governments with troops in Bosnia to press Mr. Boutros Ghali to change his mind. The general tried to open a channel of communications directly to the Security Council, circumventing the secretary-general, to press his case, diplomats said.

Mr. Boutros Ghali did not consider yielding his decision-making power, UN officials have said, because governments with troops on the ground, and agencies and other UN civilians have to be consulted before the secretary-general can make a move that could thrust UN forces into a shooting war.

U.S. Backs Larger UN Council

By Paul Lewis
New York Times Service

BONN — Opening consultations on its decision to support Germany and Japan as permanent members of the United Nations Security Council, the Clinton administration said Wednesday that it believed a larger council would have greater moral authority in the world and make the United Nations more effective.

The chief U.S. representative at the United Nations, Madeleine K. Albright, told Foreign Minister Klaus Kinkel and other officials here that although the United States wanted permanent seats for Germany and Japan, it believed this would be difficult to achieve without giving some form of permanent membership to the most populous developing countries as well.

Mrs. Albright broke off a tour of

Eastern Europe to participate in the consultations.

Enlarging the Security Council was one of the most hotly debated issues at last year's UN General Assembly session, which set up a working group to report on the issue later this year.

Developing countries and many smaller industrial nations complained that the council's present composition was anachronistic. The five World War II victors — Britain, France, the United States, Russia and China — have permanent membership on the Council and a veto over its decisions.

But there was little agreement on how to alter Council membership, with some countries wanting to abolish permanent seats and vetoes altogether, while others wanted to increase the number of permanent members.

The Council's prestige and au-

thority, meanwhile, has been damaged by its inability to end the fighting in Bosnia-Herzegovina, the Clinton administration's abrupt decision to pull its forces out of Somalia and the United Nations' growing difficulty in finding money and troops for new peacekeeping operations.

"During the 1992 election campaign that brought him to power, Bill Clinton said Germany and Japan should be given permanent Security Council seats in recognition of their economic strength."

Subsequently, Secretary of State Warren M. Christopher and Mrs. Albright have said that the administration stands by that view. A senior Clinton administration official said the United States aspired to bring about the biggest developing countries by adding Third World seats.

WORLD BRIEFS

Salinas Calls a Cease-Fire in Mexico

MEXICO CITY (WP) — President Carlos Salinas de Gortari ordered the army to begin a unilateral cease-fire Wednesday after 11 days of combat against insurgents in southern Mexico, honoring one of five major demands the rebels issued this week as terms for negotiating peace.

Mr. Salinas announced the truce, combined with an offer of amnesty for rebels who put down their arms, as the government's peace commission, Manuel Camacho Solis, arrived in the southern state of Chiapas in hopes of arranging formal contacts with leaders of the rebel group, the Zapatista National Liberation Army.

The president has been harshly criticized, both at home and abroad, for sending thousands of troops and heavy weaponry to the region and allowing military aircraft to rocket civilian areas where rebels allegedly were circulating. The Zapatistas, who consist mainly of Mayan Indian peasants, began their offensive on Jan. 1 by seizing several towns and villages in southeastern Chiapas.

Ex-British Aide Faults Iraq Inquiry

LONDON (Reuters) — The former foreign secretary, Geoffrey Howe, attacked Britain's arms-for-Iraq inquiry on Wednesday for mistreating witnesses and accused the inquiry's leader of being "detective, inquisitor, advocate and judge."

Lord Howe, a key figure in the scandal, warned Lord Justice Scott that his interrogation methods might invalidate the inquiry, which is investigating whether British ministers knowingly broke guidelines governing arms sales to Iraq before the Persian Gulf War.

Lord Howe accused Lord Scott of breaking government guidelines on inquiries by not allowing witnesses the right of reply, legal representation or the right of cross-examination. Lord Scott called Lord Howe's complaints a "bolt from the blue," and said he had fully safeguarded the interests of witnesses while ensuring the inquiry's efficiency.

Egypt Arrests 120 in Crackdown

CAIRO (Reuters) — Egyptian security forces arrested 120 men on Wednesday as part of a crackdown on those suspected of violence against public figures and tourists.

Determined to crush a rising tide of Muslim militant violence, the police have detained a total of 420 suspects in the last two weeks and seized large caches of arms, security forces said. Of those arrested, 35 were wanted militants or escapees.

More than 271 people have been killed and 668 wounded in political violence that began in 1992. Egypt has hanged 29 militants for attacks on tourists and officials.

President Rebuilding Berlin's Status

BERLIN (Reuters) — President Richard von Weizsäcker, trying to force the pace of the government's move to Berlin, invited envoys of 138 nations to the capital on Wednesday for his traditional New Year's reception.

The Bonn-based diplomats flew 600 kilometers (375 miles) to Berlin in a German Air Force jet. It was the first time a German president, who has held an annual New Year's reception in Bonn since 1950, held the gathering in Berlin. Parliament voted in 1991 to move the seat of government to Berlin, but many politicians, citing the high costs of the move, have since tried to delay or overturn the decision.

Mr. Weizsäcker, who this month moved his official residence from Bonn to Berlin, told the ambassadors that bringing the two halves of Germany together since unification was proving more difficult than expected. "But no one should believe that as a result we are turning our back on the world," he said.

Libya Still Only Suspect in Bombing

LONDON (AP) — There is no evidence that any country other than Libya was involved in the bombing of a Pan Am jumbo jet over Scotland in 1988, but the inquiry into the matter remains open, Prime Minister John Major said Wednesday.

Mr. Major was asked in the House of Commons about reports suggesting that Syria and Iran might have been involved in the bombing, which killed all 259 people on board the New York-bound flight and 11 people on the ground in Lockerbie, Scotland.

Britain and the United States have named two Libyans as suspects in the bombing, and the United Nations has imposed sanctions against Libya because it has refused to extradite the suspects.

Correction

Because of an editing error, an article from Brussels in Wednesday's edition on President Bill Clinton's campaign for higher environmental and labor standards in developing countries misidentified Sir Leon Brittan. He is the European Union's trade commissioner.

TRAVEL UPDATE

High-Tech Elevators for Eiffel Tower

PARIS (AP) — The Eiffel Tower is getting a lift into the 21st century as workers install a pair of new high-tech elevators to carry visitors to the tower's top two levels.

The new cabins, costing a total of 7 million francs (\$1.2 million), weigh four tons. They have been designed to withstand year-round wear and tear on the city's most popular tourist attraction. A second pair will be installed next year to complete the replacement.

Last year, 5.5 million people paid to visit the 320-meter (1,050-foot) tower and ride its four elevators for one of the best views in Paris. The elevators make 250 trips per day.

More than 300 commemorative events are scheduled in Normandy this year to celebrate the 50th anniversary of the D-Day landings and the battle of Normandy, organizers said Wednesday. Grandstands will be erected to seat 45,000 people for the main events, including an homage ceremony at Omaha Beach and an evening spectacle at Caen. (AP)

South Korea and China are expected to agree soon on direct flights between their capitals, South Korea's Yonhap news agency said. (AP)

Rough seas were hampering workers' efforts to empty a barge spilling oil onto beaches in San Juan, Puerto Rico. The crippled barge, which ran into a coral reef after a towline snapped, has already spilled 750,000 gallons of heating oil onto the once-pristine beaches. (AP)

CHINA: Good Terms With France

Continued from Page 1

In November, last year Germany vetoed the sale of warships to Taiwan, and Mr. Kohl repaid a large reward in China.

The rapprochement "means the end of Chinese economic sanctions against us," said the French foreign minister, Alain Juppé. "Relations have been completely normalized."

The contract with Taiwan had been approved by France's former Socialist government.

Mr. Juppé said that the delivery of the Mirage jets, a vital sale for the troubled Dassault aerospace group, would take place, but there would be no further arms sales. None of the planes has yet been delivered.

"The Chinese side reaffirms that arms sales of any type to Taiwan will bring harm to China's sovereignty, security and reunification," the statement said.

The United States announced in 1992 that it would sell F-16 fighters to Taiwan. Although there has been no significant Chinese reaction, the government has said it reserves the right to retaliate.

Mr. Balladur has made the restoration of good relations with China a priority since taking office last March.

The agreement came one day after it was disclosed in Washington that a draft report by the U.S. State Department has found little progress on human rights in China.

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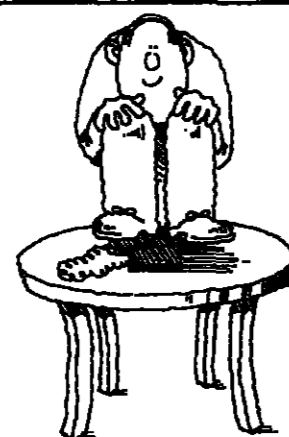
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THE AMERICAS / A MEASURE OF JUSTICE

In Peru, a Case That Won't Stay Buried Provides Test of Civilian Power

By James Brooke
New York Times Service

LIMA — Emerging before the light of dawn exposed the work at a Peruvian Army firing range, a group of hooded gunmen lined up nine students and a professor kidnapped hours earlier from dormitories at a teachers' college here. In the final minutes of that night 18 months ago, all 10 were shot in the head.

Returning two days later to study the site in daylight, the gunmen found a foot protruding from the desert sand and hastened to cover up traces of the killing, according to participants quoted in press accounts here.

Similarly, the killings on July 18, 1992, of the 10 people from La Cantuta University who were shot away from a professor and soldiers have been charged with kidnapping and killing the professor and students. In the belief that they were responsible for car bombings carried out by the Shining Path guerrilla movement.

The army, however, is opposed to trying the accused men in open civilian court, and there is doubt that any found guilty would be punished harshly.

Today, the killings stand as a test case of new civilian institutions that replaced

the courts and Congress closed by President Alberto Fujimori in April 1992.

The United States has warned that \$100 million in economic aid will not be disbursed unless those who carried out the Cantuta killings and other major abuses of human rights are punished.

"La Cantuta is shaping up to be the last case that will make or break aid to Peru," said Juan E. Mendez, executive director of Americas Watch, the New York-based human-rights organization.

U.S. concerns about human-rights abuses in Peru is to be conveyed later this month, when Alexander F. Watson, assistant secretary of state for inter-American affairs, and several American congressmen are due to come here in the highest level U.S. visit since Mr. Fujimori seized expanded powers.

Most U.S. aid was frozen after Mr. Fujimori's action, but Peru has recently suspended to win the money back, arguing that the human-rights situation is improving. Last year, for example, the number of forced disappearances dropped to about 75, down from an average of 300 a year over the previous decade.

Despite the improvements, a satisfac-

tory resolution of the Cantuta case is regarded in Washington as an essential precondition for aid.

The army here thinks differently. Last April, the army commander in chief, General Nicolas de Bari Hermoza, thought he could silence an investigation by the Peruvian Congress by sending tanks rumbling through streets of Lima.

But in fits and starts, investigations turned on, fed by crusading magazine journalists, relatives of the students, opposition members of Congress, pressure from the United States and a dissident faction within the army.

In a major civilian challenge to army privilege, two generals and six officers are under barracks arrest and are facing trials for the Cantuta killings. Two others who have been charged have not been detained.

In the last 12 years of army warfare against the Shining Path, 3,033 guerrillas, suspects were detained and secretly killed by security forces, human-rights groups assert. In the same period, the army conducted two courts-martials for unjustified killings.

Although the suspects in the Cantuta case reportedly believed that they were

kidnapping members of a Shining Path bomb squad, guerrilla activities by those killed has never been proved.

"The soldiers think they are the masters of the world, that they can do whatever they want with poor people," said

'The soldiers think they are the masters of the world.'

Rayda Condor Saes, whose oldest son was one of nine students killed in July 1992.

Rayda Condor Saes, whose oldest son, Armando Amador Condor, was one of the students killed. "When I went to the barracks, they laughed in my face and said that my son had probably run off with some woman. Until his keys were found, I always thought that I would find him alive."

A turning point came last summer when investigators sifting through human remains at a common grave found a

set of keys. The keys opened locks at Armando Amador's school locker and at his mother's house in Lima. That grave, and another at the army firing range, were discovered after members of a dissident army faction called Sleeping Lion sent hand-drawn maps pinpointing two burial sites to Ricardo Uceda Pérez, editor of the Lima newsweekly Si.

The government never responded to U.S. offers of forensic analysis. Instead, officials shipped remains to Britain for identification through genetic mapping. Now the government contends it does not have the money to pay for the necessary tests.

"From the moment these 10 people vanished, the government has done its best to keep the truth from public view," Americas Watch wrote in a report in September.

According to the report, witnesses, including the third-ranking general in the Peruvian Army, have been harassed, threatened and forced into exile. Several have been arrested. General Hermoza has refused to allow any of his subordinates to testify in civilian court or before congressional investigators. The attorney general's office dragged its feet, leav-

ing most investigative work to journalists. Police officials have branded investigative journalists as terrorist dupes.

But with the keys, the maps and clothing identifications by relatives, a civilian prosecutor, Victor Cubas Villanueva, decided that he had enough evidence. And on Dec. 16 he charged 10 officers and soldiers with kidnapping and murder.

The tenacity of some Peruvians in pursuing the case is explained in part by the easing of a war psychosis that only a few months ago gripped the capital.

"Under the stress of the bombs, the population demanded that terrorism be wiped out at any price," Fernando Rospiogio wrote recently in *Caretas* magazine, recalling the panic atmosphere caused by a Shining Path bombing campaign in the summer of 1992. "To kidnap and murder 10 university people from a study center where it was known that there was Shining Path activity only made a handful of people nervous."

But with much of the leadership of Shining Path in jail and with tension easing, Peruvians seem increasingly to favor curbing the army's "dirty war" tactics.

With newsmagazines publishing photographs of the ringleaders of an army death squad suspected of carrying out the Cantuta killings, the government has been forced to dismantle the 30-man unit, which was formed three years ago to combat Shining Path activity in Lima.

Named the Colina Group after an army war hero, the group is suspected of having carried out a string of other killings around Lima in the last two years, including the killing of 15 people attending a barbecue in central Lima and the disappearance of a left-wing radio journalist, Pedro Yauri Bustamante. The 15 were suspected of attending a Shining Path fund-raiser, but apparently were all innocent.

In a final attempt at damage control, the military is reportedly pressing the Supreme Court to rule later this month that the Cantuta case should be tried in a military court instead of a civilian one. In Peru, military court proceedings are closed to civilian observers.

"It's a test of how autonomous civilian power really is in Peru," said Enrique Bernales Ballesteros, a former congressman who runs a political research institute in Lima.

★ POLITICAL VOTES ★

High Numbers for Clinton Despite Allegations

WASHINGTON — President Bill Clinton continues to draw high approval ratings in spite of allegations about his private life and his financial affairs, according to a new Washington Post-ABC News Poll.

But the poll showed that three in five Americans say a special prosecutor should be named to investigate Mr. Clinton's financial dealings when he was governor of Arkansas.

The poll showed that 59 percent of those surveyed said they approved of the job Mr. Clinton is doing as president, compared with 36 percent who disapproved. The poll is based on a national random sample of 1,038 adults interviewed by telephone Jan. 5-9. Margin of sampling error is plus or minus 3.5 percentage points.

A mid-December Post-ABC poll put his favorable-unfavorable rating at 58 to 40 percent. The December poll was completed shortly before allegations by two Arkansas state troopers that they had helped facilitate extramarital affairs for Mr. Clinton and before the White House came under increasing pressure to release more information about the involvement of Mr. Clinton and his wife, Hillary Rodham Clinton, in an Arkansas real estate deal.

Asked whether the Justice Department should carry out its investigation of Mr. Clinton's Arkansas dealings, or whether Attorney General Janet Reno should appoint a special prosecutor to look into the matter, 61 percent said they favored a special prosecutor.

Sixty percent of respondents said they believed Mr. Clinton has the honesty and integrity to serve effectively as president. The last time that question was asked in a Post-ABC poll, shortly before his inauguration, 74 percent said he did. (WP)

Back to an Old Approach in the War on Drugs

WASHINGTON — Efforts to stop the flow of narcotics into the United States have failed and will largely be scrapped in favor of a new campaign to persuade producing countries to shut off the flow and disrupt international drug trafficking syndicates, according to Timothy E. Wirth, the top State Department official involved with drug policy.

Despite years of U.S. efforts to intercept narcotics shipments before they reach this country, "we have to be realistic about the fact that we're going to have cocaine and heroin on the streets of the United States," Mr. Wirth said. He said that rather than focusing on interdiction, U.S. efforts would concentrate on curbing drug-yielding crops in producing countries and discouraging Americans from using drugs.

In effect, the administration is moving away from the use of military assets to combat the drug trade. But the administration's new program appears to represent a return to past programs that failed because the cultivation of drug-producing crops is ingrained in some countries and because drug money has become a major lubricant of some foreign economies. (WP)

Aspin to Unveil Women-in-Combat Policy

WASHINGTON — After earlier rejecting a proposal that he found too restrictive, Defense Secretary Les Aspin has approved a new general policy that will allow women to serve in some ground units during combat. A Pentagon spokeswoman, Kathleen deLaski, said the new policy would be announced later this week, coming just before Mr. Aspin is scheduled to resign from his post this month.

Ms. deLaski declined to discuss specifics of the new policy, but cautioned that women would not be permitted to serve in all areas of combat action, such as hand-to-hand fighting. Women are still going to be excluded from direct ground combat," she said. "So what you need is a definition of what is direct ground combat." (LAT)

Quote / Unquote

Russell Feingold of Wisconsin, one of nine Democratic senators calling for a special prosecutor to investigate the president's ties with a now-failed savings and loan when Mr. Clinton was governor of Arkansas: "I do not believe it serves the interests or the interests of the nation to have any sort of shadow or questions about whether an unbiased investigation has been conducted." (WP)

Away From Politics

• A new prime number has been discovered by researchers using a supercomputer, but with 238,716 digits it might be hard for the average math whiz to roll off the tongue. A prime number can be divided only by itself or one to produce a whole number. Examples include 2, 3, 5, 7 and 11. The *Journal of Science* said the previous record was 227,832 digits.

• A Swiss tourist said he had jumped into Biscayne Bay to escape robbers armed with a knife on a causeway near Miami. The tourist, Antonio Basini, was struck with the knife's blunt side and suffered hypothermia.

• A needle exchange program in San Francisco, illegal but operating with the tacit approval of police, is highly effective in reducing risky behavior among drug addicts and does not promote drug abuse, said a study published in the *Journal of the American Medical Association*.

• Followers of David Koresh were "arming an army," said a prosecutor in an opening statement for the trial in San Antonio, Texas, of 11 cultists charged with murdering four federal agents in a gun battle. "David Koresh told these people his name was death," said the prosecutor, Ray Jahn.

APR. 1993, AP, LAT

PROBE: White House Asks for Independent Inquiry on Clinton Finances

Continued from Page 1

similar issues in Washington, the reluctance of the White House to make public the Clintons' personal files on Whitewater seemed to embolden critics. Those files are being turned over to the Justice Department under a subpoena that keeps them closed to the press and the public.

In seeking the select committee, whose formation would require Democratic assent, Mr. Dole said he wanted to ease "the perception of a whitewash."

He also contended that Attorney General Janet Reno, who has the authority to appoint an independent investigator, was not acting independently of the White House as the considered her options and that Mr. Clinton was "calling the shots" from Europe.

"If the president and first lady have done nothing wrong, as they have said, they have nothing to hide," Mr. Dole said.

At the heart of the Clinton matter is the Morgan Guaranty Savings & Loan in Arkansas, which failed in the late 1980s and whose depositors required \$50 million in federal deposit insurance payments. Questions have been raised about the possibility that bank funds were improperly diverted, through Mr. McDougal, to the Clinton campaign in order to finance campaign debts. Other questions focus on whether Arkansas state officials, appointed by Mr. Clinton, sought to keep the institution open as its loans went sour.

Mr. McDougal, his wife, Susan, and the Clintons were partners in Whitewater, a now-defunct real estate venture that sought to develop

resort homes in rural Arkansas. The Clintons have maintained that they lost nearly \$69,000 on the deal, and Mr. McDougal concurs.

Mr. McDougal has joined the White House in denying that the Clintons either benefited financially from their association with him or that then-Governor Clinton or his wife used their positions to improperly benefit the bank.

The financial relationships are highly complex, but a complicating factor is that Mrs. Clinton and her prominent Little Rock law firm represented the bank, as it sought to stay afloat, and later the federal government, as it sought damages against the bank's accounting firm. A former colleague of Mrs. Clinton's at the Rose law firm is now associate attorney general.



President Clinton standing in with a jazz combo at a club in Prague. His saxophone was a gift from the Czech president, Vaclav Havel.

Clinton in Prague: A Major Production

By Douglas Jehl
New York Times Service

PRAGUE — The cast included Vaclav Havel, the playwright, and Bill Clinton, the born political ham, and their stroll across the 14th-century Charles Bridge was more than just another moment of diplomatic theater.

Under orders from Miroslav Englebert, the Hollywood producer in charge of planning Mr. Clinton's most important public moments, the Gothic span had been transformed into a stage, with artists and souvenir sellers banished to make room for the actors.

Until Mr. Clinton's arrival, no vehicle had crossed the bridge since it was turned into a pedestrian walkway in 1958, local officials said, and neither German tanks in World War II nor Soviet tanks that came to suppress the liberalization movement of 1968 had dared to cross the much-loved medieval structure.

But the White House sacrificed that tradition to the twin goals of publicity and security. While the two leaders strolled on foot, they were preceded over the rough cobblestones by a truckload of photographers and trailed by Mr. Clinton's limousine with its District of Columbia plates.

The promenade on Tuesday night was intended as a symbol of renewed partnership between West and East, and as Mr. Clinton and Mr. Havel paused to admire some of the 30 statues on the bridge, and gazed at the Vltava

River and the capital's medieval spires, theirs seemed a powerful personal drama.

But that was not for any lack of planning, noted by Mr. Englebert, who made a reputation first by producing "Smoke and the Bandit" and then Mr. Clinton's campaign buscapades.

Across the full length of the 300-yard-long bridge, each statue had been illuminated with two special spotlights. Duct tape was stuck on the paving blocks where the two leaders were to pose for photographs.

Before coming to Europe, Mr. Clinton told his aides that he was determined that his trip have an emotional cast, and that he was eager for human contact. Away from the bridge, Mr. Havel made sure that he got a good dose of that on Tuesday night, as the two drank beer and ate bread and meat in a historic pub.

They even wandered on for a taste of Prague's night life at the smoky Reduta jazz club, where the Czech president had invited several dozen of his artistically inclined friends, and where Mr. Clinton borrowed a saxophone to play two of his favorites, "Summertime" and "My Funny Valentine."

When a loud popping sound rang out in the street as Mr. Clinton was leaving the club, the president seemed only a little tense even when his Secret Service detail backed his limousine onto the sidewalk and pulled out a bulletproof vest in case he should need it. The White House said later that agents believed the noise had been a firecracker.

Reporters who did their best to trail Mr. Clinton through the evening said he seemed determined to make sure that everyone had a good time. "Get some food for these people," he encouraged one Czech waiter after a reunion with an elderly couple he had met in a visit to the capital 24 years ago.

"When I was coming here, I wanted to walk across the bridge and I wanted to see you," Mr. Clinton said as he kissed the woman, Jirina Kopold, on both cheeks.

Among the Czechs who flocked to the narrow Old Town streets to catch a glimpse of the American leader, there were shrieks and cheers and calls for "Beel CLIN-ton" to "come here." The president often obliged, sometimes to find himself nearly mobbed by young men and women who pressed relentlessly against police barriers.

But there has always more than a hint of calculation in Mr. Clinton's personal style. Aboard Air Force One on Tuesday, aides carried a videotape of a Monday night ABC News program so that they could plan his performance on the first of a series of programs presenting a kind of nightly cinema verité of traveling diplomacy.

In a bus from the airport to the bridge, news photographers were shown photos depicting the walk across the bridge as it would look from Mr. Clinton's eyes as well as their own, so that they could better plan their shots.

The Business Lunch Goes on a Crash Diet

Firms Tighten Their Belts As Tax Reduction Is Reduced

By Clifford J. Levy
New York Times Service

NEW YORK — The American business lunch once seemed so blithely simple. Shepherd some clients to a nice restaurant, order a steak and a few highballs, make a couple of deals, gossip over the cheesecake. Hand a charge card to the waiter after barely glancing at the check.

But first came warnings about cholesterol and alcohol and sagging productivity, and now — as if the conspiracy to destroy this venerable perk were not complete — the government has taken another step in its long campaign to reduce the tax deduction for business meals and entertainment.

The change, which took effect on Jan. 1, is rippling through the country, ushering in a new era of austerity for some companies in advertising, publishing and other industries that like to do their brainstorming over white tablecloths. It is also worrying many restaurateurs who had hoped that they were turning the corner after a long slump.

"This will finish off fine dining in America," said Stephen E. Elmont, the owner of Mirabelle, a restaurant in Boston, and president of the National Restaurant Association. "We are under siege."

Congress lowered the deduction for business meals and entertainment from 80 percent to 50 percent last year as part of President Bill Clinton's deficit-reduction package. It estimated that the move would raise \$50.3 billion from 1994 to 1998.

Will the new rules wipe out a corporate culture that has flourished for decades? Probably not, but they seem to be chipping away at a practice that some executives always considered a kind of inalienable right.

So it is no surprise that some companies are complaining that the public does not grasp the value of these meals, particularly in an age when offices are so chockablock with phones, computers, faxes, and other gadgetry that face-to-face contact with co-workers and clients is increasingly rare.

In big cities, many companies are issuing policies after talking with consultants like American Express Travel Related Services, which in recent months has held several well-attended seminars on the tax changes. A survey of 25 travel managers by Corporate Travel magazine found that 60 percent would likely write new guidelines for their companies, possibly requiring itemized receipts on business meals to cut waste.

Grey Advertising, one of the largest agencies in the country, is sending a memo to its workers strongly urging them to cut back on business meals, eat at cheaper restaurants and invite more clients to its corporate dining rooms. Grey

has more than 2,000 employees in New York.

"These meals do provide significant benefits, because often there is much more of an intimate environment," said Edward Meyer, Grey's chairman and chief executive. "But this is a business that spends too much of its life in restaurants."

Although he acknowledged that his more than three decades in advertising had been very kind to his palate, Mr. Meyer promised to set an example by staying in more and closely monitoring expense reports.

There is a reformist zeal that takes place after new legislation comes in," he said. "For six months, many people will pursue a policy of trying to curb excess dining in excessively priced restaurants. But thereafter, the effect tends to wane a little. People go back to their bad ways. It's very much like dieting."

Jack Avrett, the chairman of Avrett, Free & Ginsberg, another large advertising agency, said he was also asking employees to be more frugal, just as he did when the deduction dropped from 100 percent to 80 percent in 1986. "In the old days, 20 years ago, it was just a rule of thumb that you went out to lunch with clients every day," he said. "But that doesn't happen anymore because the business pressures have been changing. There has been evolution. It's better this way. We get more work done."

But such views were not echoed on Wall Street, which has posted record profits in recent months. Executives at several major brokerage houses seemed almost taken aback when asked about expense policies, as if making cuts would be sacrilegious. And the new rules will certainly have little impact on the wealthy.

"I just left the Four Seasons, and having lunch there were Barry Diller, Ron Perlmutter, Henry Kissinger, Sandy Weill from Primerica, Joni Evans, and that was just today's group," said Jerry Della Femina, the longtime adman who is president of the Jerry Inc. agency and has opened two restaurants in recent years.

"It's not going to affect them," he said. "It's going to affect the insurance salesperson. It's going to affect the poor Hispanic dishwasher who works for a major restaurant."

But even Paul Kovi, a part owner of the Four Seasons, said he feared the new rules would depress revenues. About 70 to 80 percent of the lunches at the Four Seasons are on expense accounts, Mr. Kovi said.

The National Restaurant Association said many of its 25,000 members were also responding by running promotions and reducing prices. The group estimated that the change would lead to a cut of more than 165,000 jobs nationally in the restaurant industry.

On March 16th, the IHT will publish a Special Report on

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Dose of Caution From Clinton

With Eye on Home, He Goes Slow on Europe

By R.W. Apple Jr.

New York Times Service
KIEV — Behind all foreign policy there lurks, or ought to lurk, careful political calculation. What the folks at home will not support, the traveling potentate cannot afford to promise.

So it has been with President Bill Clinton this week, on his maiden voyage to Europe as the leader of the Atlantic alliance. Having seen how quickly American opinion turned sour when the body of a U.S. serviceman was dragged through the streets of Mogadishu, Somalia, to be duly photographed and filmed, he is reluctant to make small commitments — witness the turning back of an American troop ship bound for Haiti — let alone big, dangerous ones.

Mr. Clinton therefore made no bold move on Bosnia. He issued no ultimatum to the combatants — do this or we will do that. Instead, he and the allies temporized.

They threatened yet again, as they did to no great effect last August, to use air strikes at Sarajevo, but only under certain conditions and not very soon at that. They added Tuzla and Srebrenica to the possible target list, but only pending yet another study of feasibility and suitability.

Mr. Clinton resisted, likewise, pressures from the East Europeans for full membership in the North Atlantic Treaty Organization, obliging them to accept the Partnership for Peace, a little-brother status that they did not much like.

One reason is the sensitivity of the Russians. For the moment, at least, Mr. Clinton has given much higher priority to avoiding offense to the frail forces of reform in Moscow than to strengthening ties to the once-oppressed peoples of the former satellite states who once oc-

cupied such a special place in Washington's heart. That reflects the influence of Sirobe Talbott, the Russian expert and State Department official who has come to dominate the administration's strategic thinking on Europe.

But another reason is what membership in NATO means. It is, at bottom, a military alliance, and its members agree to come to the aid of each other if attacked. Expansion would mean the United States

NEWS ANALYSIS

was fully committed to use its troops to defend Poland or the Czech Republic if they were attacked.

Mr. Clinton was elected by a country eager to focus on its own problems, not those of the rest of the world, and he has done little to urge it to look abroad, except in terms of economic self-interest.

Even if the will were there, the means are not. The 100,000 American troops Mr. Clinton promised this week to leave in Europe, no matter what, would certainly not suffice to halt any serious manifestation of Russian expansionism.

"The most effective thing for us," an American official said, "is to try to protect Eastern Europe by encouraging anti-imperialist, democratic tendencies in Russia. The problem is that the United States, or any other outside power, has only very limited influence over events in Russia."

But this is a president who likes to have things both ways. So having denied them what they sought, he met in Prague with four East European leaders, led by Vaclav Havel of the Czech Republic and Lech Walesa of Poland, and came close — much closer than some of his West European partners would like

— to telling them, "Just be patient, and you'll get what you want."

On Tuesday, Jiri Dienstbier, the former Czech foreign minister, said in a newspaper interview, "We must not permit the Partnership to remain a sedative or a waiting room in which to await how things turn out in Russia."

As if in direct reply, Mr. Clinton said after his round of meetings Wednesday: "While the Partnership is not NATO membership, neither is it a permanent holding room. The question is no longer whether NATO will take on new members but when and how."

But when will the right moment come? If the American people are not ready to defend Eastern Europe now, when will they be? Surely not until Mr. Clinton or some other president makes a much stronger case that the vital interests of America are at stake.

If Russia is at all costs not to be provoked, then membership for the Czechs and the others will have to be delayed until Russia has become so stable that even if angered, it would pose no threat to its neighbors. Russian history does not encourage the hope that that will happen any day soon.

As Mr. Clinton conceded, "there are always concerns that in the future the darker past might be recreated."

In a way, it already has been. In Bosnia. The failure of the alliance to halt the genocidal war there, in another East European country to which NATO guarantees do not apply, cannot be encouraging to Poland and Hungary and the Czech Republic as they contemplate what would happen if they found themselves trapped between East and West.

UKRAINE:

Nuclear Accord

Continued from Page 1

over the issue of whether they are to be a nuclear power or not. That division is reflected in parliamentary statements that have emerged in opposition since the agreement was announced.

The Clinton administration is holding firm to its contention that it will not reveal some parts of the agreement, particularly the exact sequence of how the warheads will be removed and how long the process will take. Nor will it say what incentives the Ukrainians have been promised by the United States. "It is our position that some elements of the agreement will remain confidential," a senior official said. He said the agreement fixes no timetable to the confidential elements and they could be never publicly released.

Mr. Clinton cited security language built into the agreement that is meant to protect against any potential Russian expansionism and invited Ukraine to join the new North Atlantic Treaty Organization plan for military cooperation with former East Bloc countries.

Mr. Kravchuk, who once called the weapons part of Ukraine's "material wealth," has agreed to give it up in return for financial compensation and guarantees from Russia and the United States that its borders are permanent.

The trip to Kiev came after Mr. Clinton won qualified endorsement from four East European leaders for his proposal, approved by NATO, to extend military contacts eastward without granting former Soviet-occupied countries the security guarantees that full NATO partnership includes.

U.S. Details Conditions For Aid to Russians

By Thomas L. Friedman

New York Times Service

MOSCOW — Treasury Secretary Lloyd Bentsen told Russian leaders Wednesday that the United States was prepared to help speed delivery of Western aid, but only after it saw credible signs that Russia was restructuring its budget to phase out money-losing industries, lower inflation and better assist the unemployed.

The mantra for President Bill Clinton's visit, Treasury officials say, was: "More Russian reform in return for more Western money more quickly."

That approach is in marked contrast to the initial administration reaction to the recent Russian elections, when both Vice President Al Gore and the Russian affairs coordinator, Sirobe Talbott, suggested easing Western conditions for reform to defuse opposition to President Boris N. Yeltsin's government. That view was strongly opposed by the Treasury Department and seems to have been firmly quashed.

Mr. Bentsen, who arrived in Moscow in advance of President Clinton, told reporters after his talks that the Russians had been making progress in taming inflation and spawning new private business.

The next few days and weeks, Mr. Bentsen said, would be "critical" in determining if Mr. Yeltsin's newly elected government and parliament are able and willing to carry out the sort of structural reforms that the United States and its allies want to see before they really turn on the aid spigot.

Mr. Yeltsin is still putting together his new government, and the newly elected Russian parliament is just getting under way. It is not clear whether the advocates of economic reform favored by Washington will be assigned leading roles in the new cabinet and, even more importantly, whether the Russian parliament will be ready to authorize the sort of major budget restructuring that the United States and its allies advocate. Treasury officials said.

"It is at a very formative stage," Mr. Bentsen said after discussions with Deputy Prime Minister Anatoli B. Chubais. "I would not try to predict who is going to be in what slot."

But he added, "I want to see some strong reformers left in that government."

The basic American position articulated by Mr. Bentsen to his Russian counterparts is this: The United States is ready to press its Western allies and the international lending institutions to come forward with money they have already promised Russia and not yet delivered if it sees "viable plans, and clear and credible statements of intent" that Russia is ready to restructure its budget, a senior Treasury official said.

What is new in this approach is that the United States will not insist on a waiting period to test implementation before money is delivered, but it does want to see commitments of intent.

That means, Mr. Bentsen said, that the Russian government must act to bring down its inflation rate further. The only way to do that is to stop printing money to cover the budget deficit. And the only way to do that is by halting the broad subsidies to huge state industries, such as the coal miners or tank factories or state farms that account for much of that deficit.



EARLY BIRDS GET LE SHUTTLE — Prospective passengers for the Eurotunnel service from Folkestone in England to Calais in France lining up Wednesday at a travel agency in London. The service is scheduled to start in early May.

EUROPEAN TOPICS

For France's Graffiti Artists, Days of Indulgence Are Over

France's graffiti artists will soon feel nostalgic for the 15 minutes of fame and indulgence — well, a bit more than that — that they enjoyed under the previous Socialist government.

The Socialist culture minister, Jack Lang, not only proclaimed the graffiti of French taggers to be art, but also sponsored two major exhibitions of their work.

But the new rightist government sees no redeeming qualities in the paintings that cost the city of Paris alone 140 million francs (\$24 million) each year in cleaning costs. A law set to take effect March 1 will increase penalties for graffiti art from the current maximum of a 30,000 franc fine and two years in prison to 500,000 francs and five years.

The city Metro system, where some of the worst damage was once done (including an attack on the Louvre Museum station that cost 500,000 francs to clean), has made progress in the fight against graffiti. Walls in

many subway stations have been treated with an easy-to-clean varnish, and graffiti is removed within 48 hours.

Yet in one of the exhibitions during the Lang years, the focus of the show was a Metro car, covered top to bottom with graffiti. In the front of the car was a television that broadcast tips on "how to do graffiti without getting caught."

Around Europe

Until 1990, young men in West Berlin were exempt from military service because of the city's special status. But with German reunification, and the departure of the four Allied powers from Berlin, the exemption was dropped. After a three-year administrative delay, the Defense Ministry finally announced last year the induction of a first group of 12,000 Berlin men, those born in 1969.

But there has been strong resistance from many inductees to the 12-month stint, reports the weekly Der Spiegel, and the police have increasingly had to be used to round up unwilling young men.

Some have challenged the state's legal right to rescind what had been a blanket protection through age 28, and one man, Frank Dietz, 24, has taken the matter to court. He contends that only 18-year-olds should be inducted, for older men have long since made

career and life decisions that are difficult to undo. Many of the 12,000 men affected have signed a protest petition being sent to the Bundestag.

About 1 million Germans will work in the environmental field by the end of this decade, according to a federal study. That will represent an increase of over 50 percent in less than 10 years.

The newest soccer commentator for the Italian television channel Rai Tre has the fervor and devotion of many a sports fan, but with a difference: She is a Franciscan nun. A Rai sports reporter had discovered Sister Paola in the stands of a Lazio Rome soccer match; she is a season-ticket holder. Their meeting, reports Die Welt, evolved into an invitation to do commentary, with results like these: "People, you just wouldn't believe how much I prayed to Our Mother Mary over this match . . . or 'Ah, it is halftime now. I must withdraw for a spiritual pause.' But the sister's perspective on the game is not universally appreciated: she seems to see the Lazio team as a force for good and its opponents as vectors of evil. Fans of another team, AS Rome, have petitioned Rai to have Sister Paola confine her commentary to less worldly topics.

Brian Knowlton

Commander in the West Bank Is Killed in Helicopter Crash

By Joel Greenberg

New York Times Service

JERUSALEM — The chief Israeli army commander in the occupied West Bank was killed with three other officers early Wednesday when his helicopter crashed in heavy fog near his headquarters on the northern outskirts of Jerusalem.

The death of Major General Nechemia Tamari, 47, the highest ranking army officer killed in more than a decade, stunned military and government officials and prompted the air force commander to appoint a commission of inquiry.

An army spokesman ruled out sabotage. "There's no doubt that this was an accident," he said.

The spokesman said General Tamari's helicopter went down about 2 A.M. as it approached a fog-shrouded landing pad near his command headquarters. "There was very poor visibility and bad weather conditions," an army statement said.

General Tamari was returning

from the Bet Shean area in the Jordan Valley, where troops were chasing an infiltrator who had crossed into Israel from Jordan, the spokesman said, adding that the infiltrator was later caught.

Killed with the general were his personal assistant, Major Ofir Kaufman, and the two helicopter pilots.

General Tamari began his 28-year career as a paratrooper officer and had held several senior command posts, serving for the past 10 months as head of the army's Central Command, which includes the West Bank.

He had been increasingly preoccupied with stemming a rising tide of Jewish-Arab violence and heading off confrontations between soldiers and Jewish settlers in the aftermath of the signing of the Palestinian-Israeli accord in September.

While planning an expected Israeli pullout from the town of Jericho, General Tamari also spent hours calming tempers of settlers alarmed by the accord who have

retaliated violently for a spate of fatal Arab attacks.

Some government ministers and Palestinian leaders said the army, and by implication General Tamari, had been too lenient with settlers who have slain Palestinians, damaged Arab-owned property and blocked highways in response to killings by Palestinian militants.

But in remarks Wednesday to the parliament, Deputy Defense Minister Mordechai Gur praised General Tamari's handling of the settlers and said he had prevented a looming confrontation between Israeli soldiers and civilians. The general had been "open to the sensitive and delicate situations in which we are now living," Mr. Gur said.

"In recent months Nechemia was a symbol of this openness, of the readiness to preserve the unity of Israel and to avoid confrontations as much as humanly possible," Mr. Gur added. "Strong as he was, he tried with all his might to avoid using force."

Deal Nearer With PLO, Israel Says

The Associated Press

TABA, Egypt — Israel and the Palestine Liberation Organization are closer to agreement on autonomy, but there is still much work to be done on security issues, a top Israeli negotiator said at the end of talks Wednesday.

The head of the Israeli delegation, Major General Amnon Shahak, said the two sides were near a consensus on such topics as electricity and tourism.

He added that he hoped the talks would resume Monday and that negotiators would then be able to solve some of the more difficult security issues.

"On the security issues there is a lot to be done and hopefully next week we will continue, and we might sum up some of the subjects," General Shahak said.

The talks resumed Monday in the Red Sea resort of Taba after a two-week break.

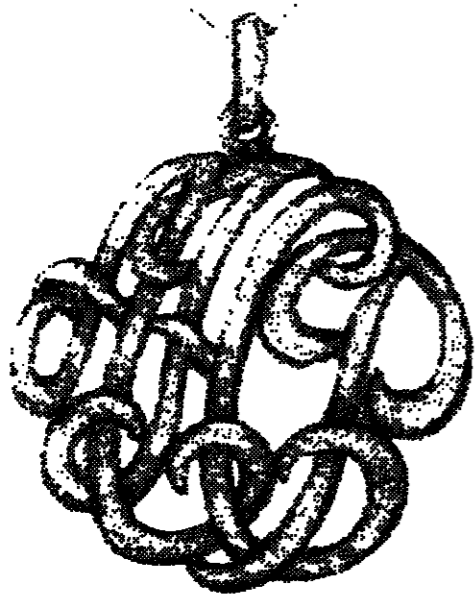
But Israeli officials said little progress had been made on the issues that have delayed the start of an Israeli troop withdrawal from the occupied Gaza Strip and West Bank town of Jericho.

These include defining the size of the Jericho area, control of international border crossings connected to the autonomous zones, and defense of Jewish settlers living in or traveling through Palestinian areas. Nabil Shaath, the chief delegate for the PLO, said after Tuesday's session that such issues should not be allowed to become "agreement-breakers."

The accord calls for an equal Israeli and Palestinian presence at border crossings. Last week, the Palestinians reportedly demanded that the Israeli presence be invisible. The Israelis said this went beyond understandings reached two weeks ago in Cairo.

At the same time, the Palestinians reportedly are not contesting the offer of a 57-square-kilometer (22-square-mile) Jericho area, one-fifth of what they had demanded. But they are said to be seeking corridors from the area to two holy sites and a Dead Sea beach.

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Germans Widen Search For Neo-Nazi Attackers

Reuters

BERLIN — The police raided neo-Nazi haunts as they broadened their search across Germany on Wednesday for three skinheads who carved a swastika on the face of a 17-year-old girl in a wheelchair.

The attack Monday in the eastern town of Halle was the latest in a series of neo-Nazi assaults on disabled people and brought widespread condemnation.

"This was an unacceptable infamy," said President Richard von Weizsäcker.

The three skinheads, aged from 15 to 20, cut the swastika on the girl's left cheek with a knife after she refused to shout Nazi slogans.

The hunt for the suspects was expanded to a nationwide level. Off-duty police officers have been called in to help, and more than 4,000 composite sketches of two of

the three attackers had been sent out.

A police spokesman in Halle said that the authorities had received scores of telephone tips about the possible whereabouts or identity of the skinheads, but that there had been no promising leads.

The spokesman added that the police had rounded up rightist radicals in the region surrounding Halle. They also raided more than 25 gathering places for neo-Nazis and set up checkpoints at rail stations.

The girl was attacked as she was returning to Halle's Adolf-Reichwein school after lunch. The three skinheads waited for her to come out of a public toilet for the disabled near the school.

The Berlin daily BZ quoted the girl, identified as only as Elke J., as saying she had refused to shout the slogans and tried to roll her wheelchair away.

A WEEK IN THE LIFE OF THE TRIB

Monday
MONDAY SPORTS

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STYLE

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STAGE
ENTERTAINMENT

Thursday
HEALTH/SCIENCE

Friday
LEISURE

Saturday-Sunday
ART/
THE MONEY REPORT

POLITICS AND ECONOMICS

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Herald Tribune

Governor of Hong Kong Denies That He Is Telling China What to Do

SYDNEY — Governor Chris Patten of Hong Kong on Wednesday defended his handling of the British colony's 1997 return to China against criticism by a former Australian leader in a letter published in The Australian newspaper.

"It is wholly inaccurate to suggest that I am trying to tell China how to govern itself," Mr. Patten wrote. His letter responded to an article in The Australian on Jan. 5 in which former Prime Minister Malcolm Fraser said Mr. Patten's conduct reflected Britain's "traditional incapacity" to understand Asia.

Mr. Fraser said Mr. Patten was trying to establish elements of democracy in Hong Kong that were unacceptable to China and would not survive the transfer.

"He acknowledges that he does not believe I am doing this out of mischief and disruptive intent," Mr. Patten wrote, "but even so I

must correct a rather serious misunderstanding of what is happening here."

The governor said at issue between Britain and China was the mechanics of Hong Kong elections, not the establishment of democracy in the British colony.

He said both countries agreed in their 1984 Joint Declaration on Hong Kong that the legislature of the future Hong Kong Special Administrative Region of China would be elected.

He added that China's Basic Law for Hong Kong, which takes effect in 2007, stipulated that one-third of the first legislature would be elected, followed by 40 percent of the second and 50 percent of the third.

"So it is already accepted by China that Hong Kong will become progressively more democratic," Mr. Patten wrote.

Airport Funding Dispute
China has attacked the Hong Kong government for unilaterally seeking funds to finance a new airport, Reuters reported.

"The Hong Kong government has unilaterally sought quick funds from the Legislative Council without discussing it with the Chinese side," said Lu Ping, director of the Hong Kong and Macao Affairs Office. "The Chinese side does not agree to such a piecemeal method."

On Monday, the government gave legislators two options for the \$20.3 billion project. The first option was to approve enough funds to push ahead with the project step by step and the second was to suspend all new work until a deal has been struck with China.

The government estimated that under the second option there would be a \$10 million surge in the project's cost for every six months of delay.

The government will make a definitive funding request to the legislature next week.



SIFTING THE DEBRIS IN SYDNEY — A Sydney resident sifting through the remains of his house, which was among some 200 structures razed in a week of raging bushfires. Fire fighters had contained about half of the more than 150 blazes burning across southeast Australia but braced for a renewed emergency as meteorologists forecast more hot, dry weather.

Kim Il Sung Said to Seek China's Help With West

SEOUL — President Kim Il Sung of North Korea wants to visit China to enlist its help in expanding relations with the West, the South Korean news agency Yonhap reported Wednesday.

North Korea is secretly sounding out the Chinese government through diplomatic channels on the possibility of Kim's visit, Yonhap quoted an unidentified source as saying in Beijing.

"Beijing is showing agreement in principle for the North Korean leader's visit to China after the nuclear question is resolved," the source was quoted as saying.

North Korea has been locked in a dispute with the United States and its allies over Pyongyang's suspected development of nuclear weapons.

The North Koreans agreed in negotiations last week with the United States to open their seven declared nuclear sites to international inspectors. But they have resisted efforts by the UN's International Atomic Energy Agency to inspect two other sites where Western intelligence agencies suspect nuclear weapons are being developed.

According to U.S. sources, the Chinese have played an active behind-the-scenes role in trying to persuade North Korea to settle the nuclear dispute to the satisfaction of the United States, its allies and the UN nuclear agency.

"If Kim's visit takes place, Kim and Chinese leaders will discuss such issues as reform and open-door policy in North Korea, improvements in North Korea's relations with Japan and the United States, an inter-Korean summit and South-North relations," the source was quoted as saying.

Yonhap's report said Hwang Jang Yop, chairman of the Foreign Affairs Committee of the North's Supreme People's Assembly, would visit Beijing later this month to discuss President Kim's trip.

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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

An Incomplete Summit

At the NATO summit, the United States responded to complaints that it was offering East Europeans too little an alliance role too late, and broadened some of the possibilities. Much remains to be done — not least by new applicants — to move from the symbols of partnership to the concrete mutual obligations of membership. But as President Bill Clinton's current European grand tour takes him to Moscow, he can fairly argue that he has acted in principled support of democracy. The message may be missed by the Zhirinovskiy element in Russian politics, but it should reassure the reformers. Americans are betting on, meanwhile, it should reassure Russians of all stripes, and not only Russians, that the United States is bent on diverting Ukraine's nuclear pursuit.

Too bad these achievements at the summit were not the sum of it. Unfortunately, the desired image of an alliance taking on new post-Cold War purpose was badly tarnished by the treatment of Bosnia. Yugoslavia represents NATO's dismal failure to cope with immense violence and atrocity on its very doorstep. The Brussels meeting showed no improvement. The members were called upon anew to deliver on their August pledge, so many times ignored, to relieve sieges and open

up supply routes in Bosnia by air strikes. President Clinton, declaring that "the credibility of the alliance itself" was at stake, warned members against making "empty threats." But who will not be bowled over by NATO, again unanimous in voice but still divided and uncertain in will, comes through even with the limited tactical responses that the strike planners have in mind? Serbia continues to shell Sarajevo.

Empty threats are repugnant. They should not be made, especially when it is too late in the day to think of restoring NATO's credibility in Bosnia. Military support to bring in relief is valuable — a European effort that still could use American help. Military support to keep a future peace is valuable, although heavy conditions still vitiate the American peacekeeping pledge. But military action to sway the course of the war?

By irreversible default, the alliance has committed itself to the settlement talks now being conducted by the European Union and the United Nations. The result of these talks, at best, will not be pretty, but they alone can help stop the war. Long ago NATO forfeited the chance to expect more.

— THE WASHINGTON POST.

A Good Deal for Ukraine

In a victory for its nuclear diplomacy, the Clinton administration has persuaded Ukraine's leader to get rid of the nuclear arsenal he inherited from the Soviet Union. In agreeing to the deal, President Leonid Kravchuk recognized that Ukraine's nuclear legacy may be worth more converted into fuel than as arms. The chief concern now is that nationalists in the Ukrainian parliament might find a way to block the pact.

If instituted, the agreement would remove a threat from Ukraine's missiles still programmed to hit American targets, reduce the risk that the warheads will fall into reckless hands and keep tensions in the former Soviet Union from escalating to nuclear war.

The United States put together an offer that Ukrainians should not refuse. In return for dismantling the arms, making its Chernobyl-type reactors safer and cleaning up its environment, the nuclear material extracted from warheads will be turned into fuel for power plants.

In an effort to satisfy the demands of Ukrainian nationalists, Russia will cancel a portion of Ukraine's debt as reimbursement for warheads already handed over for dismantling. It will refrain from economic coercion. And Russia, along with the United States and Britain, will guarantee Ukraine's borders.

The deal requires Ukraine to dismantle its entire nuclear arsenal — 1,240 nuclear warheads mounted on its SS-19 and SS-24 missiles and 564 more on cruise missiles carried on long-range bombers. The warheads are a wasting asset. Even though they sit on Ukrainian soil, they remain under Russian operational control. For Ukrainians to pick their electronic locks and gain control over them would take time. To re-target them by reprograming their on-board computers would take still more time. Meanwhile, the warheads are decaying and the missile fuel is becoming dangerously unstable, making the arms a menace to their possessors, not just to their foes.

Nevertheless, some nationalists see Ukraine's nuclear arms as a symbol of its newborn nationhood. Others want to wave the warheads at Russians who are not yet reconciled to an independent Ukraine.

But the arms are a distraction from the real threat to Ukraine's independence: the gross mismanagement of its economy and the social unrest it is kindling.

Instead of instituting economic reforms, Kiev is financing factories that produce nothing worthwhile. Ukraine's currency, which once traded on a par with Russia's ruble, now has no buying power abroad, and hyperinflation has begun to rip Ukraine apart. Ethnic Russians in western Ukraine who voted for independence, believing that life would be better than in Russia, now have doubts. Political disarray could pave the way for nationalists to win parliamentary elections in March.

In these circumstances, the Clinton administration was wise not to wait for Kiev to live up to its pledge to join the Nuclear Nonproliferation Treaty, which the parliament would have to ratify. Instead, Washington persuaded Kiev to deactivate the warheads on missiles aimed at the United States, the sooner the better. And the United States will pay Russia to ship nuclear fuel to Ukraine in advance of extracting more from Ukraine's warheads.

The Clinton administration deserves credit for brokering this deal. And Ukraine's leaders are right to reject nuclear symbolism for economic substance.

— THE NEW YORK TIMES.

To Help This Small Planet

Ask many Americans about their ancestors and you will be told that their great-grandfather was one of seven children and their great-grandmother the fifth of nine. They themselves, however, will most likely be parents of two or three at most. Why? Because, like the residents of other industrialized countries, they know that smaller families mean bigger futures — and are able to act on that knowledge.

Fortunately for them, and for an increasingly impoverished planet, much of the Third World has arrived at the same conclusion. As the demand for contraceptives rises, so the birth rate in countries like Thailand, Morocco and Bangladesh is dropping.

Government commitment to population control is one reason; foreign aid in the form of family planning programs is another; and the gradual realization of Marshall McLuhan's "global village" a third. The last is almost certainly what accounts for a much sharper drop in fertility rates in developing countries than the decline in Europe several generations back, when a newly educated populace saw that too many children added up to too many economic liabilities.

Conventional wisdom says that lower birth rates come only after living standards have

risen. In this case, as Bangladesh illustrates, that thinking is now passé.

Bangladesh is among the least likely countries to experience a spontaneous drop in fertility rates. Living standards and the literacy rate are low, and so is the status of females. But fertility rates in Bangladesh declined by 21 percent from 1970 to 1991, and contraceptive use among married women of reproductive age rose from 3 percent to 40 percent.

Bangladesh has one of the world's largest and most successful marketing programs for contraceptives. Working closely with the Dhaka government, the United States provided most of the contraceptive supply and, through the Agency for International Development, the expertise to produce a delivery system that is virtually door-to-door.

What has happened in Bangladesh, and could happen in all developing countries, is of advantage not only to the world's poorest people but to everyone living on a planet that may have to support double our current number by 2150. By that measure, what America and other industrialized countries give to family-planning programs should not really be called "foreign aid." It is world aid.

— THE NEW YORK TIMES.

Other Comment

The Battles of Kabul

Afghanistan is a landlocked country, but its strategic and geographical positions make its fate of interest to outsiders.

Some in the West appear to be afraid that a strong and stable Islamic regime in Kabul would generate a greater influx of guerrillas to help Muslims in Bosnia. In the East, Beijing is afraid that Kabul's triumph could inspire its own Muslims (in western China) to increase efforts to free themselves from Beijing. Russia, which has Islamic neighbors, has a similar concern that the mujahidin could

push them to set up radical Islamic regimes.

India, which used to side with the Communist Kabul regime, is not happy with the mujahidin's training of Kashmir guerrillas. Iran would like to see a stronger Shiite Muslim position in Afghanistan, while Pakistan and Saudi Arabia would prefer a stronger Sunni Muslim position.

It is difficult to predict when today's battles for Kabul will end. But it is clear that the first and foremost casualties are the Afghan people. They have no recourse in the face of the political storms raging around them.

— The Jakarta Post.

A President With a Mandate to Avoid Confrontation

By Jim Hoagland

WASHINGTON — Bill Clinton's effort to coax the leaders of Ukraine and North Korea into taking their fingers off the nuclear trigger offers little to admire or like. But, in ways that his critics do not acknowledge, President Clinton is doing the job he was elected to do by juggling with Kiev and Pyongyang over international stability.

To be blunt, he is trying to buy off the Ukrainians and North Koreans. He dangles ensuring deals in exchange for giving up their nuclear weapons. He organizes international coalitions. He is more Donald Trump than John Wayne when it comes to stopping the spread of nuclear weapons.

Traditionally this is not how American presidents are supposed to act in protecting America's vital interests. Real presidents don't coax. Real presidents lead, squeeze, intimidate or persuade. If none of those tactics works, real presidents zap their enemies with the CIA or the 82d Airborne. That constantly implied threat made American diplomacy far more brilliant and productive throughout the Cold War than would have otherwise been the case.

But that threat is not credible under this president, who has made clear his deep aversion to using force abroad.

The message out of Somalia, Bosnia and Haiti is uniform and undeniable: The threatening shadow of U.S. military might as a tool to produce change or enforce the status quo has been withdrawn in President Clinton's first year — as long as America is not directly and provocatively challenged. The exception, fortunately, is the inherited case of Iraq, where Saddam Hussein's survival is a continuing challenge and provocation for America.

Nostalgia for "real" presidents pervades the slashing opinion-page and Republican criticism of Mr. Clinton for his clumsy climb-down on North Korea's nuclear weapons program. The critics have a point about the way he has played his hand. He has again taken away a useful ambiguity about America's intentions and capabilities in diplomatic confrontation.

After initially declaring the North Korean bomb-building program to be unacceptable (à la Wayne), Mr. Clinton appears ready to leave it in place if Pyongyang makes a deal (à la Trump). U.S. rejection of North Korea and cancellation of a joint U.S.-South Korean military exercise are clues that he is prepared to play if the North Korean leader Kim Il Sung

adopts uncharacteristic restraint and allows a modicum of international inspection.

Mr. Clinton's still unfolding deal with Ukraine's Leonid Kravchuk, to be signed in Moscow on Friday, is somewhat better than the North Korean exercise, but raises some of the same problems. Announced in Brussels on Monday just in time to top or elbow aside the day's stories about NATO inaction on Bosnia, the deal allows Mr. Kravchuk to sell for a much higher price 1,800 nuclear warheads that he has already twice agreed to surrender.

At first glance, the price in U.S. political and economic benefits, as outlined in Brussels, seems right — if President Kravchuk finally lays down the law to the Ukrainian parliament and demands approval and implementation of this denuclearization deal.

Strategically and emotionally, watching the likes of Mr. Kravchuk and Kim Il Sung bargain with the world's only superpower over keeping weapons of mass destruction is unsettling. I share the critics' outrage over this development. Who would not?

But the critics overstate their case in blaming Mr. Clinton entirely for America's resort to coaxing instead of demanding. They fail to acknowledge the nature of the hand an American president holds in the last decade of the

20th century, and the shortage of alternatives. Shortly after becoming president, Mr. Clinton was told by the CIA and the Pentagon that they could do nothing short of an all-out, costly war to stop the North Korean bomb. The Hermit Kingdom was simply too isolated, too hard to penetrate, for reliable results.

Mr. Clinton grasps for deals in part because Congress and the American electorate prefer not to accept the costs and responsibility of enforcing global ultimatums now that the Soviet threat has disappeared. When Congress refused last year to enact a broad-based energy tax as part of deficit reduction, French President François Mitterrand told friends that a debtor nation that refuses to raise the price of gasoline by four cents a gallon could hardly be serious about pursuing an agenda of world leadership.

Mr. Clinton has contributed to the atmosphere in which Mr. Kravchuk and Kim Il Sung deal instead of yield. But to blame the president alone, as some of his critics do, is to compound the problem. Americans need to reflect on the costs of the retreat from global leadership that many now advocate, and not take themselves off the hook by blaming everything on Bill Clinton's character.

The Washington Post.

Appeasement in the '90s Like a Rerun of the '30s

By William Pfaff

PARIS — After Britain and France tried to appease Hitler by signing the Munich Pact in 1938, ceding the Sudeten regions of Czechoslovakia to Germany, General Jan Strykowski succeeded Eduard Benes as Czechoslovakia's chief of state. A few days later, a French-British delegation called on General Strykowski, seeking help in rescuing some anti-Nazi German refugees the German government was demanding be handed over.

The general refused. He said the refugees would go to Germany. Alluding to Czechoslovakia's betrayal by the British and French, he added: "In this affair, messieurs, we have been willing to fight on the side of the angels, now we shall hunt with the wolves."

We are today living through moments like those that produced that statement. Once again people in Central and Eastern Europe and the Balkans discover only incomprehension and irresolute good intentions among those in the West whose values they share, and whose support they need.

Neville Chamberlain and Edouard Daladier meant well in 1938, as do the leaders of the Western governments today. They believed that Germany had a case for its claims on Czechoslovakia. They believed that if Hitler were given what he wanted, moderation in Germany would be strengthened. They wanted to believe the best of Hitler and knew that British and French voters were hostile to any involvement in the quarrel between Germany and Czechoslovakia.

Hitler understood them well. After the pact was signed, he said of Chamberlain and Daladier: "It is terrible, I always have to deal with nonentities."

Bill Clinton, John Major, François Mitterrand and the other NATO leaders are making the same mistakes Chamberlain and Daladier made. They equivocate and compromise, and refuse to assume risks.

They now have allowed Russia to block Poland, Lithuania, the Czech Republic, Slovakia and other countries formerly under Soviet domination from entering into a formal security relationship with the Western countries. The ex-Communist countries again find themselves assigned a place between East and West.

After painful debate, the NATO summit once again threatened air intervention in Bosnia — if UN Secretary-General Boutros Boutros Ghali asks for it. He will not do so unless the Security Council so instructs him. The French particularly were

pleased at America's endorsement of a future European "defense identity" which could use NATO resources without U.S. participation in the operation. This is a sensible step toward spreading burdens which will primarily mean action outside the borders of NATO's 16 members.

NATO still could not act against U.S. wishes, but it would not be stymied if America withheld troops.

But it is abstract theory, with no practical meaning, so long as Europeans don't want to act unless Washington leads the way, as they made evident in Brussels.

"Partnership for Peace" is also a reasonable move in transition, offering an unspecified number of states to the east an assortment of technical links to NATO and the possibility, with new possibilities of loss as well as gain. Peace would have been blocked — whether it prevailed or not.

One thing would certainly be established, of immense importance. The Western powers would demonstrate that they must be taken seriously. They would prove that the will of the international community, as it finds expression at the United Nations, can be enforced. The opposite has been demonstrated until now.

These are just the points on which Britain and France defaulted in the 1930s. They acquiesced in aggressive national expansion by Italy as well as by Germany, and they displayed

Clinton, Too, Is Groping About in the Western Fog

By Flora Lewis

PARIS — For all the frantic White House effort to assure an approving chorus, Bill Clinton's first presidential trip to Europe highlighted above all the confusion, lack of direction and general incapacity of Europe and the United States to sort out the issues of a new era.

Compare the tentative and at times even contradictory results with the brave illusion of a couple of years ago that foundations were being laid for a "new world order."

"Disarray" is almost as old as NATO itself as a description of the state of the alliance. But the term seems more serious now just because it does not reflect clear-cut disagreements, which can be resolved by compromise, but a common lack of guiding principles beyond the will to maintain the institution.

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weakness. Their failures invited Hitler's miscalculation of what would follow, and brought on the war. The allies had to go to war for Poland, which they were unable to defend, because they had betrayed Czechoslovakia, which they could have defended.

It is essential today and for the future that the Western powers be taken seriously. In Brussels, NATO leaders were dangerously equivocal on the issue of East European security. They must, on the contrary, make it clear in Moscow, to all of the political forces at work in that country during this time of turbulence, that

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than Russia in facing transformation, and his parliament will not ratify the "executive agreement" on the nuclear issue. Can he implement it?

After a new constitution and elections, Russia's internal affairs are more distressing than ever. The opening of the new parliament was a terrible omen. President Boris Yeltsin manages to vacillate with a heavy list.

Washington's policy of priority for reconciling Russia has intellectual justification, but there is mounting evidence that old imperial urges are gaining the upper hand, even among democrats. Russia's neighbors cannot be faulted for their fears.

Ukraine's ambassador in Paris, Yuri Kochubey, challenges partly the idea that strong support for the ranting Vladimir Zhirinovskiy was just a protest vote. "The protest was the abstention," he said. "His voters liked what he says. It is a mistake to think of Russia in literary terms, as Strobe Talbot does, the people of Tolstoy and Turgenyev. These are the people of 72 years of Soviet rule."

The Western debate has offered sharp options: spheres of influence, leaving Moscow its old turf; a wispy CSCE pan-Europeanism with no teeth; a renewed, enlarged defensive front against Russia. All are quite unsatisfactory. So we are getting lost, doing nothing to embolden Yeltsin, ride out the storm. It isn't the worst, but it's far from a plan.

Mr. Clinton's trip will have been most useful if he takes it as an eye-opener, a display of the urgent problems, not as an achievement. All the West is groping about in a fog, not knowing what to do now. Just recognizing that would be an improvement, a good to move on.

Flora Lewis

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Monks or Soldiers?

LONDON — A correspondent who signs "One Who Knows" writes in an evening paper that the reports as to Russia's seeking a Mediterranean station in Corsica, at Milo, or at Navarino, are merely bluffs. The real objective, he says, is Mount Athos. The peninsula, which was formerly occupied entirely by Greek Orthodox monks living in lofty monasteries, has been converted into a Russian mock-clerical possession. The Russians have bought nearly every available property. Muscovite monasteries have been built, and under cover of monastic garments and robes are to be found Russian soldiers, performing at Mount Athos a three years special and specific military service.

1919: For Durable Peace

PARIS — The leading statesmen of Great Britain, the United States, France and Italy gathered yesterday afternoon [Jan. 12] at the French For-

sign Office on the Quai d'Orsay for the inaugural meeting of the world's Peace Conference. The New York Herald comments: "On the decisions to be taken at the Peace Conference in the coming weeks or months hang the destinies of all mankind, which is yearning for a durable peace and praying that the choice of justice and wisdom may be heard and heeded."

1944: A French 'Purge'

ALGIERS — [From our New York edition:] Immediate punishment of all traitors to France and collaborators with Germany, regardless of any pressure from abroad or from the inside, was asked by the French Consultative Assembly tonight [Jan. 12] at the end of a two-day debate on a "purge" of the administration. Members of the French Committee of National Liberation promised the assembly that justice would be done by the special military tribunal, which would remain free from any suggestions by the French or Allied governments.

International Herald Tribune

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OPINION

No Matter How Deep the Hole...

By Charles Peters

WASHINGTON — When Danny Ferguson denied in an affidavit that President Bill Clinton had offered him and other Arkansas troopers federal jobs for covering up trysts that occurred when he was governor, most of us were relieved. This had been the most troubling element in the stories of sexual scandal in the White House. Since most people (myself included) did not believe that the remaining allegations about sexual misconduct, even if proved true, were enough to bring down the promising president, we were willing to forgive him. I hope Bill Clinton would not be so willing to forgive himself.

But I am very much afraid that he will see this episode as further evidence that however deep a hole he is in, he will manage to climb out.

A respected journalist once told me that he thought Mr. Clinton's deepest conviction was his belief that he could always "get away with it." I am not that cynical, but I do worry that the White House's insensitivity to ethical issues is threatening the moral authority of the presidency. That can have the gravest of consequences.

December began with the announcement that two senior members of the White House staff, Roy Neel and Howard Baker, were leaving for lucrative jobs in the private sector. These jobs would permit them to cash in on their connections in a way that the administration had once promised would not be tolerated. Yet they departed with the president's praise.

Then came the appointment of Bobby Ray Inman as secretary of defense, which made him the 27th Clinton appointee not to have paid Social Security taxes for domestic help. In his contempt for the law, Mr. Inman was doubtless the champion, since he failed to pay up for almost a year after the Zoe Baird and

Kimba Wood cases left no doubt about the law. Even Commerce Secretary Ron Brown had paid up by then.

But we should note that Mr. Brown's continued presence in the cabinet constitutes another reason to question the administration's probity. After all, he could not recall any meetings with a Vietnamese businessman said to have offered him a \$700,000 bribe to open up trade with Vietnam — until clear evidence of three such meetings emerged.

Bill and Hillary Clinton were cheap-skating on ethical thin ice when they used Vincent Foster to do their personal legal work on their Whitewater real estate investment and other matters while the public was paying him to work on the president's official business.

One cannot help fearing that the ice broke with Whitewater. The stage may have been set for a Whitewater scandal when the Clintons decided to have Mrs. Clinton practice with a major Little Rock law firm while her husband was governor. That exposed the Clintons to potential conflicts of interest.

Thus, when James McDougal, their Whitewater partner, said he authorized a \$2,000-a-month retainer to Mrs. Clinton for representing his Madison Guaranty Savings and Loan because he was "giving a friend's wife some work," it did not seem coincidental that the friend happened to be the governor, who could shield Mr. McDougal from undue state regulatory curiosity.

Such embarrassments endanger presidential authority in several ways. One of the most important has been shown by the administration's difficulty in finding good people for government jobs. America needs a president with the stature to summon the ablest Americans to devote at least part of

their lives to public service; the more morally dubious the White House, the less attractive government seems.

There has long been a shortage of qualified people in government, a deprivation that is now especially severe among Democrats, who have been out of the White House for all but five of the last 25 years. It is a grave problem in a society that has too long undervalued public service.

Only during the New Deal and the New Frontier was there a major effort to bring the most talented citizens to Washington. The result is that far too many of the people experienced in government are mediocre. The most glaring deficiency of Al Gore's "Reinventing Government" report was its failure to recognize this quality problem.

According to the Volcker Commission on the Public Service, 90 percent of college honor students do not even consider a career in government.

The president also needs respect if he is to perform another essential but too often neglected function of his office: educating the people on important issues. Take health reform. The people are not going to accept Ira Magaziner's proposal unless the president educates them about it and the alternatives.

Developing the plan in secret was a disastrous mistake that can be remedied only by open discussion that emphasizes careful explanation of the choices rather than propaganda for the administration's proposal.

The value-added tax on consumption is an example of why such explanation is needed. Last spring the tax was rejected as a means of financing health reform because a poll showed that the public opposed it, according to Stanley Greenberg, the White House pollster. But no one had explained the pros and cons to the people, so they had no way of knowing that it might

THOSE WHO OPPOSED A SPECIAL PROSECUTOR FOR WATERGATE, CONTRIBUTE AND TRANSGATE BECAUSE "NO LAW HAD BEEN BROKEN"...



...WHO NOW FAVOR A SPECIAL PROSECUTOR TO NAIL CLINTON.

protect jobs better than the payroll tax disguised as a "premium" that the administration advocates. Because it adds to the cost of employment, it is almost certain to discourage hiring.

Instead of recognizing this obligation to educate, often the Clintons seem not to want the public to learn about successful alternative health care plans like Canada's.

As for foreign policy, it would have been much better if Mr. Clinton had carefully explained the options and hazards in Bosnia, Somalia and Haiti and had given the public a chance to be heard before decisions were made.

Virtually every foreign policy decision in today's world will have potential consequences that the people

should know about. As a result, they may slam on the brakes. But when trouble arises, they may be more supportive and resolute if they feel that they have been consulted in advance.

Bill Clinton will not succeed in these important presidential roles unless he has the trust and esteem of the nation. And he will not maintain that respect if he continues to appear to be a man who thinks he can get away with it.

I hope he will confront his ethical weaknesses and learn to govern himself. Then we Americans will have faith in his ability to govern all of us.

The writer is editor of *The Washington Monthly*. He contributed this comment to *The New York Times*.

In Rural Java, Death Comes To a Fighter and a Dreamer

By Goenawan Mohamad

JAKARTA — The story of Marsinah shows the ugly side of economic growth in Indonesia. She was brutally murdered, apparently for having dared to press for improvement in workers' rights. Her mutilated body was found in May near Jegong, a village on Java, the main island of Indonesia.

Marsinah is a shining symbol of the fight for human rights. She demonstrated that such rights are not a luxury, nor are they something that those with power willingly confer.

Marsinah was only 23 when she died. Although she lived in poverty, she was

which was payable only if an employee showed up for work.

This, of course, was not enough to live on. Marsinah and some of her fellow workers joined to demand that the daily meal allowance be built into the regular wage.

Making such a demand took courage — the workers had created a disturbance. They had disrupted the "peace," "harmony," "order" and "unity" that are the watchwords of Indonesian industrialization and development.

In Indonesia, owners of capital accumulate wealth by all possible means. Managers and executives can multiply their incomes. But workers should never ask for more. Indonesia's economic progress, investment in manufacturing and rising export earnings have hinged on meager labor wages.

So at Marsinah's company not only the bosses and foremen but the security apparatus, acting on behalf of the state authorities, immediately took action to silence the rebellious workers. Some were fired. Marsinah was murdered.

We do not know just who was responsible for her death, but it seems clear why she was killed. The horrible wounds to her abdomen showed that she had been sexually assaulted and stabbed. Her pelvic bones were shattered. Marsinah was victimized both because she was an activist and because she was a woman.

As part of an overvalued labor force in the world's fourth most populous nation, women in Indonesia find themselves in a weak position.

They are also vulnerable in today's cultural environment. This is a world that has only winners and losers. It is a world obsessed with violent verbs such as *ganyang* (crush), *bunuh* (kill) and *gebuk* (clubber). These are the metaphors of fighting and male virility, but also of despotism.

Whoever murdered Marsinah must have thought that the death of a village woman worker would not stir much attention. They must have thought that the body dumped on the roadside would instill fear among others who challenged local order.

Fortunately, Marsinah's case has attracted wide attention. In their arrogance, the killers failed to realize that the moment she and her colleagues went on strike to demand better wages, workers could no longer be ignored in Indonesia. And because Marsinah dared to be part of a liberating tidal force for stronger rights that is gathering strength in Indonesia, women have ceased to be marginal.

The writer, a former editor in chief of the newsweekly *Tempo*, is chairman of the Council of Founders of the Foundation for the Center for Human Rights Study, in Jakarta. He contributed this comment to the *International Herald Tribune*.

MEANWHILE

determined to better her own life and the lives of those around her. She was an adopted child of a poor farming family. Even as a child, she worked hard to make ends meet, selling snacks. When it rained, she used banana leaves as an umbrella. Her family lacked the money for her to continue her education beyond high school.

But she had dreams. She believed that there would always be opportunity for any Indonesian to find a decent place. She attended computer and English classes. To learn more, she read newspapers and watched television at a neighbor's place. She once told an acquaintance, "Knowledge will change one's destiny."

Marsinah was determined to change her lot and escape from poverty. She worked at a shoe factory for a year. Then she got a job with a watch-making company. Her daily wage was 1,700 rupiahs (about 80 cents), plus a meal allowance of 550 rupiahs.

LETTERS TO THE EDITOR

Long Way From Watergate

The use of the "gate" suffix in the Whitewater development affair is an attempt to tar President Bill Clinton with the Nixon brush. The differences between the two are enormous.

Watergate involved the abuse of power by a sitting president, including such impeachable offenses as coaching witnesses in perjury and authorizing unlawful break-ins. The evidence against Richard Nixon was overwhelming.

"Whitewatergate" questions the role of the then-governor of Arkansas in a land development project with a man who headed a failing S&L association. There has been no charge of criminal activity on the part of Mr. Clinton, nor is there any evidence of any wrongdoing. Moreover, those self-righteous Republicans who are demanding that all

papers involving the transaction be made public are the same people who opposed all investigations into the illegal sale of arms to Iran, the illegal delivery of arms to the Nicaraguan contras, and the Bank of Lavoix scam that enabled Iraq to finance its invasion of Kuwait with U.S. taxpayers' dollars.

AARON STERNFIELD, Morges, Switzerland.

Muslims and Bosnia

Regarding "Bosnia's Holocaust Puts the Churches to Shame" (Opinion, Jan. 5) by Henry Siegman:

As a practicing Muslim I would like to thank Mr. Siegman for clearly pointing out the emptiness of ritualistic compassion expressed by Western religious institutions in the destruction of Bosnia. His voice rings out just as every

effort is being made in some official Western circles to equate the raped with their aggressors.

But most urgently, and especially as a Muslim, I would like to express my deepest gratitude to the many Jewish groups and individuals that have spoken forcefully on this issue, and the many among them who have exposed themselves to danger by going to Sarajevo. Perhaps, as the end comes nearer for many Bosnians, this "little" is far superior to what official Islamic institutions, governments and rulers have been willing to do. How many prominent Muslim personalities, let alone rulers, have gone to Sarajevo? A few? No, none!

Why should Muslim rulers and elites try to defend faraway Muslims? A European Islam is intuitively perceived by

many of them, and correctly so, as a potential ideological threat to their miserable tyrannies. It is no secret that in most Islamic countries the tragedy of Bosnia is a political embarrassment.

If we do not have the courage to defend the Bosnians, then the least we can do is to give them the means to defend themselves. Anything less, as Henry Siegman poignantly points out, is hypocrisy.

TAWFIQ IBRAHIM, Madrid.

Cultural Leadership

Regarding "Violence on Screen: Desiring What Disgusts Us" (Opinion, Dec. 15) by Mario Cuomo:

Governor Cuomo equates public media supervision with "faceless and unaccountable bureaucrats." But the Ger-

man Voluntary Film Self Control Board, a generally admirable arbiter of tastes, has been well-guided for years, not by bureaucrats but by the aristocracy of the country's arts, professions and clergy. If Americans cannot accept cultural leadership, then they will continue with anti-cultural leadership.

ROBERT WULIGER, Bangkok.

No Right of Racial Slender

Regarding the report "A Black Activist's Inflammatory Speech Leaves a Campus Sorely Divided" (Dec. 30):

I was horrified by the blatant display of racism on the campus of Kean College in New Jersey. It seems to me that the United States should make racial vilification a criminal offense, as it is in Australia. This will not remove racism's

underlying causes, but it will at least prevent disgraceful speeches like the one given at Kean by Khalid Abdul Mohammed of the Nation of Islam.

SIMON HAYES, Adelaide, Australia.

Grand at Whose Expense?

Regarding "Unappreciated Turkey" (Letters, Jan. 5) from Mehmet Ogutcu:

Mr. Ogutcu speaks of the dreams by some of a "Grand Armenia," which he says would be created at Turkey's expense. May I remind him that it was the Armenians' expense — as well as the Greeks', Syrians' and Kurds' — that "Grand Turkey" was created?

HAIK ARSLANIAN, Antwerp.

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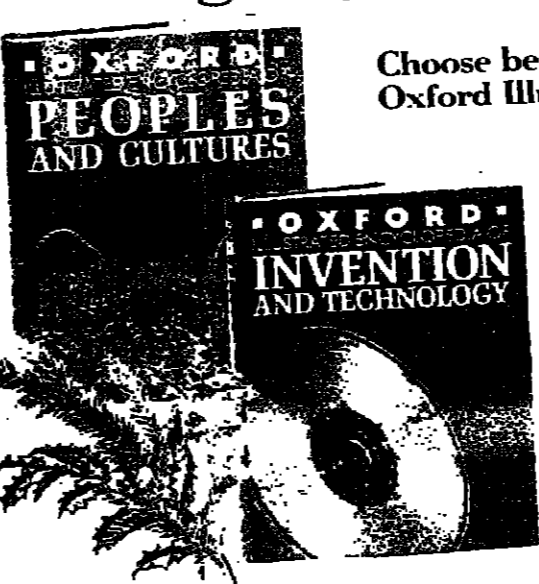
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MILAN FASHION

Armani's Cuddly Security Blanket

By Suzy Menkes
International Herald Tribune

MILAN — Giorgio Armani threw a big, soft, cuddly security blanket to the last wail of Italian menswear fashion. In his show Wednesday, the supple tweeds, strokable velvets and dusty colors were new — yet normal. He ended the Milan shows on a clear note as the fashion crowd moves on to Florence.

Elsewhere there has been a clash of the classic and the gimmicky, with punk hair, weirdo models and styling tricks.

The themes of the week have been an easing of shapes, a resurgence of knitwear, a brown color wave and unusual effects with fabrics and texture. The style is anti-macho, even feminine, with models slight, pale and looking faintly decadent.

From the moment that Armani opened with malleable jackets over baggy corduroy velvet pants, you got his message: "I didn't want to do real classic three-buttoned jackets, so I played with the collar — just opening the shirt at the neck made such a difference — but I hope at the end everyone felt that these were new classics."

Classic? Yes, if you mean a simple raglan-sleeved coat or jacket, its collar sliced off, flipped down with a button on one side. Or a new vest scooped at the front and made, like so much else, in velvet, cord or woven fabrics that gave the same deep-pile effect.

But this was also a collection with a point of view: that if you don't like soft pants, too bad; and that, since the jackets hang loose from a sloping shoulder, no structure comes between your well-honed body and the wide world except a light-as-a-knit fabric. These are clothes for a modern-minded man, and that is Armani's strength.

Cut, comfort and color dominated the show. Tender shades of misty sky blue or even nectarine were introduced against a basic palette of beige and grays. Ethnic patterns were also woven through the Emporio collection that the designer deliberately ran right on from the main line.

"It's all Armani," he said.



Armani's soft suit with buttoned lapel and open-neck shirt.

Valentino also showed two lines on the runway — the more classic couture range with long coats, jackets and knits in capricious colors, and the sportier Oliver collection. Both worked well.

The show opened dramatically with bathrobes lined with print over velvet jeans and bare torsos. The two important trends were velvet and the four-pocket jacket — a hybrid of Norfolk and safari. Oliver's smock-shaped jackets and loose shirts gave just the right measure of sloppiness and romance.

Romeo Gigli is a romantic and his show had a lot of charm — especially the ending when latter-

day flower children came out in lightly layered ethnic clothes in rich dark colors.

Gigli's handling of ethnic themes looks convincing and wearable — usually just a subtly patterned vest under the high-buttoned square-cut jacket and narrow cuffed pants that are the designer's signature. Those suits might even come in plaid — part of Gigli's worldwide inspiration that makes his fashion seem part of an artistic global village.

Dolce & Gabbana had clothes in all the right modern proportions and showed imaginative knits. But in an urge to be hip, they hid their own strengths. The looks were

there: the big hobo coat, the nomad's patchwork shearing, recycled sweaters, mixed in with track pants and worn with sophisticated sloppiness. But spray-on colored spiky hair, a safety pin stabbing a fine jacket and models looking like Sid Vicious, seemed a desperate punk revival that isn't even new in fashion.

It all looked fresher Wednesday in the designers' new D&G range, with its mixes of plaid, speckly Irish tweed, a rugged sense of outdoors and a whiff of the London street scene.

Byblow got lost on a long and well-trodden ethnic trail, producing pieces layered in a way that they are never worn outside Peruvian villages and magazine fashion spreads. Extracted from the mass of nomad knits and blanket fringe in natural colors, there were bowl-of-muesli tweed suits with square-cut jackets, clotted-cream corduroy pants and rugged brown leather jackets.

In the showrooms, Italian luxury sets an inimitable standard. Gucci nurtured its country roots, with jackets Norfolk-style or with knitted sleeves and rugged leather jackets and hiking boots. The supreme cashmere for marled knits oozed quality. Off-to-the-country elegance was the theme of Fendi's collection of velvet-soft alpaca coats, boiled wool knits, tactile leather jackets and shearings, all in earth colors from ginger through compost brown.

Inspired by her newly opened golf club, Laura Biagiotti made her signature cashmere as long cable sweaters and cardigans, worn with knickers. In the elegant style of the Duke of Windsor on the green.

Missoni took gentlemanly symbols — watches, umbrellas and fountain pens — and wore them in subtle patterns and colors for cardigans that looked like old tweed jackets.

Antonio Fusco's research into super-light fabrics and constructions refreshed classic Italian style. A cashmere jacket that looks but isn't, feels as soft as a weekend cardigan seems a more genuine symbol of Milan men's fashion than the downtown, punky looks of an enforced hip parade.

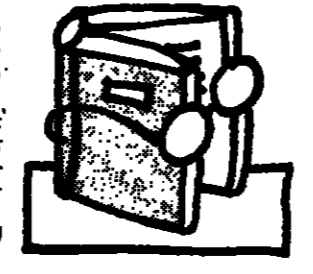
No. 2, and threw tantrums and tizzy fits and threatened suicide until all three men were ready for a rest home.

Even though Joy wouldn't sleep with George, she was fearless on safari. It was as though she felt a cobra or a puff adder wouldn't have the nerve to take a bite out of her. The Adamsons as a couple might have been no more unhappy than many, jaunting about in what seems like the most beautiful country in the world, dodging demented elephants, putting man-eating lions out of commission, going on a carefree vacation that involved driving across the Sahara. They must have thought themselves invincible. Even the Adamsons appear here as no more of a threat than a herd of cranky buffalo.

Then, something fateful happened. George shot a lioness who left three cubs. Joy ended up with one of them, whom she named Elsa. After one of her mothers-in-law, she fell for Elsa, loving her more than any of those husbands (or, by now, numerous lovers) she had on the string. She raised Elsa and released her, wrote her book, got it picked up by Harvill, a division of Collins. Struck up a stormy relationship with Mr. Collins, committed every kind of screaming mayhem that the lion's "What a life!" which sold 5 million copies. (Not a just world, but an interesting one.)

The material here on wildlife is amazing, but the human lifestyle is more amazing still. Those Adamsons! Always digging trenches and pulling up fences and shooting zebras to supplement the lions' diet and traveling the world and slugging each other and not giving it much of a second thought when one of their servants gets killed by one of those lions. (Except they worried about the lion.) What a life! It almost makes you want to go to Kenya. After Joy was shot by an irate servant, George lived out the last decade of his life in idyllic surroundings, visited by admirers, hanging out with his own pride of lions, working on his own private project for "Rehabilitation Project for Wayward Girls." Everybody loved George Adamson because he was kind, patient, fearless and fun. As for Joy, she became one of the foremothers of this century's ecological movement and made everybody's life a living hell. There's a moral here. I'd best not belabor it.

Carolyn See regularly reviews books for The Washington Post.



David Applefield, head of the Frank Books publishing company in Paris, is reading "The English Patient" by Michael Ondaatje. "It's one of the most poetic pieces of prose that I have ever read, which has sensual understanding of history and a heightened sense of perception." (Lisa Gersten, IHT)

ly to Kenya. It was suggested to him that he write a biography of this quite extraordinary couple who had befriended a number of wild animals, raised them as their own "children," and then released them to the wild.

To keep selling the Elsa books and movies the Adamsons had been presented as a cross between Mr. and Mrs. Cleaver and Tarzan and Jane. The truth was a zillion times more interesting, and House has the perfect tools to tell this story. His work has been prodigious; he keeps his judgments to a minimum, and he has obviously fallen in love with East Africa, the wild life and the daily life that the Adamsons made their own.

Here's why you might not want to give this book to your impressionable daughter: Joy Adamson was

By Alan Truscott

JEFF MECKSTROTH of Tampa, Florida, Eric Rodwell of Naperville, Illinois, Bob Goldman of Dallas and Paul Soloway of Mill Creek, Washington, faced Leandro Buryg and Soldano De Falso of Italy, and Hervé Moulet and Alain Levy of France, in a \$50,000 challenge match in December. Every dealer received a hand suitable for a strong no-trump opening and had to make that bid. Buryg was trying to prove the superiority of his bidding methods in that situation.

In the diagram, the chance that a player will pick up 9-4-0-0 distribution is one in 100,000, and the odds become longer when, as here, another player is known to have a balanced distribution.

At both tables West bid the compulsory no-trump and East bid two hearts, showing spades. In one case

this showed at least a five-card spade suit, and West ventured five spades, a contract that was due to succeed, over South's five diamonds. This pushed Levy, the European South, to six diamonds, which was duly doubled and defeated by two tricks.

In the replay, Buryg as West could not be sure of a 9-card spade fit, for in his methods two hearts could have been bid with a 4-card spade suit. He chose to double five diamonds, and collected just 200.

Since it was obvious from the bidding that West held a doubleton diamond king, Goldman as declarer laid a little trap by leading the diamond queen at the second trick. But Buryg took his king without hesitation.

The American team gained 7 imps, and this seems to represent a slight weakness in the Buryg

methods. But in building a system one cannot worry about an opponent's holding an astronomically improbable hand.

NORTH			
♠ J 5 4 2			
♥ 10 8 7			
♦ 5 2			
♣ J 8 5 3			
WEST (D)			
♠ A K Q 10			
♥ K 3 2			
♦ K 6			
♣ K 4 2			
EAST			
♠ 8 7 6 3			
♥ Q 9 5			
♦ A Q 10 9 7			
♣ A J 6 4			
♠ A Q J 10 8 7 4 3			
♥ —			
♦ —			
♣ —			

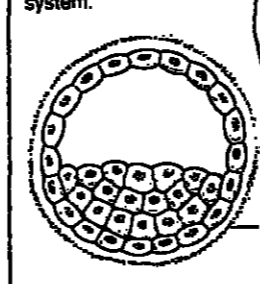
Both sides were vulnerable. The bidding: West 1 NT, 2♥, 3♦, 4♣, 5♦, 6♣, 7♣, 8♣, 9♣, 10♣, 11♣, 12♣, 13♣, 14♣, 15♣, 16♣, 17♣, 18♣, 19♣, 20♣, 21♣, 22♣, 23♣, 24♣, 25♣, 26♣, 27♣, 28♣, 29♣, 30♣, 31♣, 32♣, 33♣, 34♣, 35♣, 36♣, 37♣, 38♣, 39♣, 40♣, 41♣, 42♣, 43♣, 44♣, 45♣, 46♣, 47♣, 48♣, 49♣, 50♣, 51♣, 52♣.

West led the spade king.

HEALTH / SCIENCE

A Gene That Signals Direction and Location

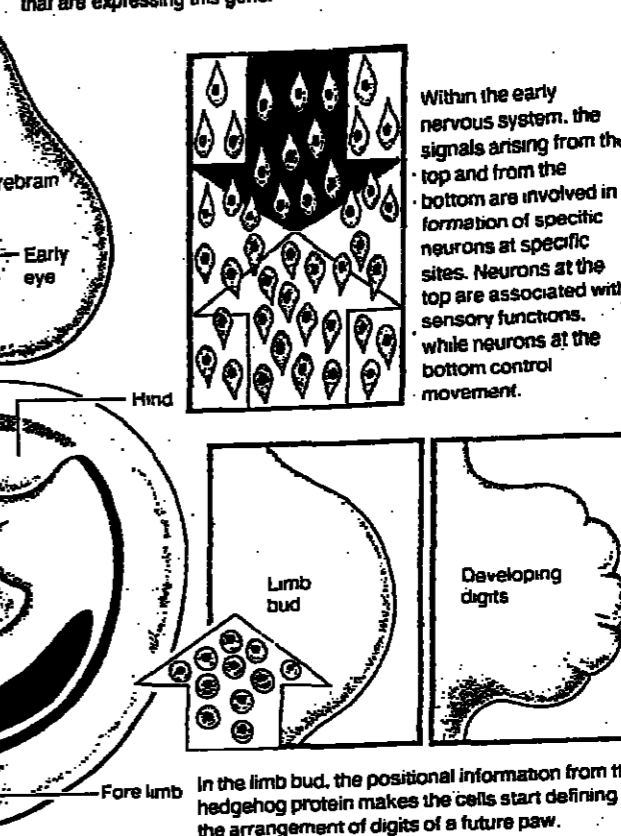
Scientists have discovered a class of genes, called hedgehog genes, that lend shape and pattern to the early embryo. Once turned on, these genes make proteins that give neighboring cells signals telling them their position and roles in forming a leg, wing or fin. At other sites, the hedgehog proteins direct development of the central nervous system.



A fertilized mouse egg grows to be a cluster of 16 cells within three days. In the blastula stage, shown here, there are many more cells, and the inner cells have begun to take on specific roles.

Mouse embryo, 8½ to 9½ days old

At this point, the hedgehog gene switches on in the mouse embryo. The light gray stippled areas of the drawing show the locations of cells that are expressing this gene.



Within the early nervous system, the signals arising from the top and from the bottom are involved in formation of specific neurons at specific sites. Neurons at the top are associated with sensory functions, while neurons at the bottom control movement.

In the limb bud, the positional information from the hedgehog protein makes the cells start defining the arrangement of digits of a future paw.

Nancy Streng/The New York Times

'Hedgehog' Genes Shape Embryos

By Natalie Angier
New York Times Service

NEW YORK — The discovery of a class of genes, given the cheeky name "hedgehog," has aroused the passions of developmental biologists so vigorously that their normal reserve and skepticism have dissolved.

Three teams of scientists report in the current issue of the journal *Cell* that they have unearthed what developmental scientists have been seeking for the last 25 years, as they studied the complex sequence of events that allow a single cell, the fertilized egg, to effloresce into a complete animal.

They have identified the genes that act on the early embryo to lend it shape and pattern, transforming a nondescript comma of tissue into a vertebrate animal, with limbs and digits, brain and spinal cord.

These genes produce so-called morphogens, molecules that researchers have known must exist but have had tremendous difficulty isolating. The word morphogen means "maker of structure," and the hedgehog proteins are just that.

Once switched on inside the embryo, the molecules sweep slowly across the primordial buds of tissue and begin generating identifiable forms, sculpting arms, hands and fingers on the sides of the embryo, vertebrae and ribs along its midline, a brain within the skull.

First detected in fruit flies, the hedgehog genes earned their name for their ability, when mutated, to give a fly the bristly appearance of a hedgehog. Their normal function in the fruit fly is to dictate growth, and the latest trio of reports establish that the same genes also dictate structural design in vertebrates.

The papers describe the isolation of hedgehog genes from mice, zebra fish and chickens, three staple organisms of laboratory research, widely separated in evolutionary time. "This new class of signaling molecules will probably end up being the most important molecules in

vertebrate development," said Dr. Clifford J. Tabin, a developmental biologist at Harvard Medical School and the principle author of one of the three reports.

Scientists have yet to look for the genes in humans, but they are certain that hedgehog is performing the same role in human embryos as it is in fish. If this turns out not to be the case, said Dr. Philip W. Ingham, a senior scientist at the Molecular Embryology Laboratory at the Imperial Cancer Research Fund in Oxford, England, and the head investigator on another of the new papers, "I'll resign from science."

WITH such a big segment of the puzzle of development now snapped into place, researchers said they can begin filling in the rest of the confounding picture of embryogenesis. They can start to decipher how the hedgehog molecules interact with other essential players known to participate slightly later in development, including the *Hox* genes, also assiduous builders of bodies, which themselves are found across the evolutionary scale.

"This is extraordinary work, it's fantastic, and I wish I'd done it," said Dr. Jim Smith, head of the developmental biology laboratory at the National Institute for Medical Research in London. "When I started working on limb development in 1976, we all knew there had to be something like this, but we didn't necessarily think we'd live to see it."

Scientists said the findings may prove useful in the quest for better ways to treat head and spinal cord injuries, as well as degenerative diseases of the brain.

"People these days are very interested in molecules that mediate important decisions in the early development of the central nervous system," said Dr. Andrew P. McMahon, a developmental biologist at Harvard University and the principal researcher on the third of the latest papers.

The hedgehog morphogens also offer relief to development biologists who lately had grown

dissatisfied with another proffered candidate for the role of omnipotent morphogen: retinoic acid, or vitamin A. In widely publicized reports a few years ago, scientists suggested that retinoic acid could be the long-sought morphogen that sets up a body plan. However, there were sizable gaps in the data and doubts in the minds of many biologists that retinoic acid worked at such a fundamental level in the embryo.

In the new work, the hedgehog genes pass all the litmus tests that vitamin A had failed, displaying with extraordinary precision the properties that scientific theories about morphogens had predicted.

And when scientists manipulate embryos and subtly alter the ways in which hedgehog genes are expressed, they get the sort of macabre developmental mutations they are expecting. For example, they can prompt a growing chick to sprout mirror-image sets of wings simply by inserting active hedgehog genes in the tissue abutting that where the genes are normally expressed.

NAMING the varieties of hedgehog genes, which play a key role in embryo development, has been a source of friction among research teams. One group wanted to give the varieties numbers, another letters.

Dr. Tabin suggested that they name each newly detected gene after a species of real hedgehog. This scheme stuck for the first three genes, which were designated Indian hedgehog, moonraker hedgehog and desert hedgehog.

But when Dr. Robert Riddle, a postdoctoral fellow working in Dr. Tabin's lab, detected what proved to be the most fascinating hedgehog gene of all, he rebelled against the system and decided to call the gene *Sonic hedgehog*, after a character in a Sega computer game.

Many other scientists detest the new name, saying it trivializes a noble molecule. "It's the kind of idea that you talk about in a pub and say, 'Wouldn't it be funny if we named it Sonic?'" said Dr. Smith. "But then you don't do it."

Teachers Fight Science 'Gender Gap'

By Peter Marks
New York Times Service

STONY BROOK, N.Y. — A gap rose from the audience of 300 Long Island schoolgirls when Cynthia Burrows, a chemistry professor, projected the slide onto the screen.

What startled the students wasn't a chart of the periodic table or a model of the architecture of a carbon molecule or the text of a complex theory. It was a photograph of her 18-month-old triplets.

The lesson that Dr. Burrows was trying to impart had more to do with a formula for life and work than the properties of organic compounds. Her message: A scientific career and motherhood can be made to mix, but only after the science training has occurred and the career has been established.

"These years between 15 and 30, this is a time when you have a lot of energy, a lot of intellectual ability," she told the junior and senior high school girls gathered in an auditorium at the State University of New York at Stony Brook. "There is no reason at all to encumber yourself with a husband and family. Postpone as long as you can."

That view might seem extreme, but she said later that women in the world of science must often make difficult choices. "To excel in sci-

ence, which is still a conservative field, you must follow a narrow pathway of education, sometimes at personal cost," she said.

The girls, eighth, ninth and 10th graders from 31 Long Island schools, had been invited to Stony Brook for a day of encouragement and exploration of academic disciplines that remain largely male bastions: the worlds of math and science. Two dozen female professors at Stony Brook, which has a national reputation as a center for science education, agreed to act as guides into those worlds, escorting the teenagers into their laboratories and detailing the opportunities that science offers.

"The goal is awareness," Linda Padwa said. "It's letting the girls be aware that they can lead productive careers in science and still be female." Ms. Padwa, a science teacher from Port Jefferson, helped create the Symposium for Girls Exploring Mathematics and Science. "This country doesn't have enough mathematicians and scientists to write off half the population," she said.

Although women have made gains in some scientific fields, particularly in the biological sciences, they remain underrepresented in physics, applied mathematics and engineering. Of 1,750 members of the National Academy of Sciences, for instance, only 70 are women.

Hanna Nekvasil, an associate professor of earth and space sci-

ences at Stony Brook, says that in general it is harder to keep women in science programs, that women are more likely to suffer from a lack of confidence in their abilities and abandon the science track.

"What we have found is that the freshman year of college was a very critical year for women interested in science, and that more freshmen women drop out of science programs than men," she said.

Dr. Nekvasil, who has led nine girls into her experimental petrology lab, where she studies the crystallized structures of rocks. "How many of you think rocks are boring?" she asked, as a few of her charges put their hands in the air. "You won't be the end of the class."

The professor gave the girls pieces of granite and hardened lava to hold, showed them how to examine a sliver of rock under an electron microscope, and offered them a soft sell on the glories of geology.

SOME students said that they were interested in science but had not formed any specific plan. "I'm not really sure yet," said Roopal Sampat, 15. "I was interested in medicine, but now I'm thinking either something in math or science, or maybe computer programming."

Joyce Capizzano, 15, said she was thinking about becoming a doctor, and that being among male scientists for a day gave her a

stronger sense of the possibilities open to her. "It helps me to see these women, to see how hard they work to succeed," she said.

In her half-hour talk, Dr. Burrows shied away from some of the drier aspects of her discipline, instead presenting a slide show of her life in science. She showed pictures from the summer she spent as an intern on Ascension Island in the South Atlantic, helping to launch weather balloons for the National Oceanographic and Atmospheric Administration; of the view from her lab window in Strasbourg, France, where she did postdoctoral work and of a white-water rafting trip she took while attending an organic chemistry symposium in Montana.

There was even a magnified slide showing the chromosomes of her daughter, Laurel, one of the triplets, given her after she had announced to Dr. Burrows that she had her children at the age of 39, a little older than most of them might want to try, but assisted by modern science. The triplets, she said, came about as a result of in vitro fertilization.

As her audience oohed and ahhed, the professor talked of other scientific advances, like the mapping of the human genome, and of the part that the girls might someday play. "This is all going to happen in the next generation," she said. "And you are going to be the scientists of the next generation."

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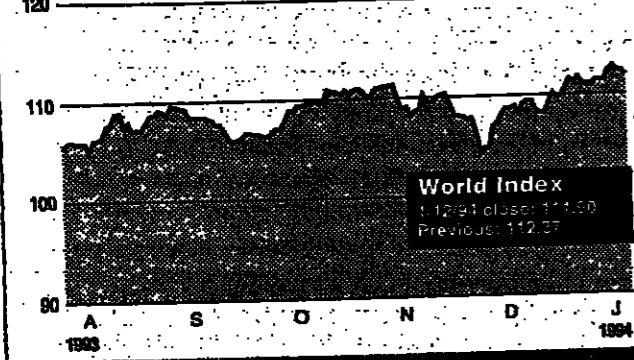
American Samoa	013-0000	Chile	009-9337	Δ Hong Kong	011	○ Macao	0080-421	○ Poland	0080-0015	○ Trinidad & Tobago	23
Antigua	013-0000	Colombia	005-9337	India	008-000-01-877	Malaysia	0080-0015	Portugal	0080-0015	Turkey	00800-1-477
Argentina	013-0000	Costa Rica	005-9337	Indonesia	008-000-01-877	Mexico	0080-0015	Puerto Rico	0080-0015	United Arab Emirates	0080-0015
Australia	013-0000	Cuba	005-9337	Ireland	008-000-01-877	Monaco	0080-0015	Romania	0080-0015	United Kingdom	0080-0015
Austria	013-0000	Cyprus	005-9337	Israel	008-000-01-877	Netherlands	0080-0015	Russia (Moscow)	0080-0015	United Kingdom	0080-0015
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Bolivia	013-0000	Germany	005-9337	Korea	008-000-01-877	Philippines	0080-0015	Thailand	0080-0015	Venezuela	0080-0015
Brazil	013-0000	Greece	005-9337	Korea	008-000-01-877	Philippines	0080-0015	Thailand	0080-0015	Venezuela	0080-0015
British Virgin Is.	013-0000	Honduras	005-9337	Korea	008-000-01-877	Philippines	0080-0015	Thailand	0080-0015	Venezuela	0080-0015
Cayman Is.	013-0000	India	008-000-01-877	Korea	008-000-01-877	Philippines	0080-0015	Thailand	0080-0015	Venezuela	0080-0015
Costa Rica	013-0000	Indonesia	008-000-01-877	Korea	008-000-01-877	Philippines	0080-0015	Thailand	0080-0015	Venezuela	0080-0015
Cuba	013-0000	Ireland	008-000-01-877	Korea	008-000-01-877	Philippines	0080-0015	Thailand	0080-0015	Venezuela	0080-0015
Cyprus	013-0000	Israel	008-000-01-877	Korea	008-000-01-877	Philippines	0080-0015	Thailand	0080-0015	Venezuela	0080-0015
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BUSINESS

International Herald Tribune, Thursday, January 13, 1994



THE TRIB INDEX: 111.90
International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



World Index
1983 1984 1994
Approx. weighting: 32%
Close: 117.42 Prev: 118.42

Asia/Pacific
1983 1984 1994
Approx. weighting: 37%
Close: 115.41 Prev: 115.41

Europe
1983 1984 1994
Approx. weighting: 26%
Close: 95.18 Prev: 95.18

North America
1983 1984 1994
Approx. weighting: 5%
Close: 133.97 Prev: 131.28

Latin America
1983 1984 1994
Approx. weighting: 5%
Close: 133.97 Prev: 131.28

World Index
1983 1984 1994
Approx. weighting: 32%
Close: 117.42 Prev: 118.42

The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the top 100 issues are tracked.

Industrial Sectors

Sector	Value	Change	% Change
Energy	112.24	112.24	0.00
Utilities	120.89	120.81	-0.07
Finance	113.84	114.08	+0.24
Services	118.83	119.43	+0.50
Capital Goods	112.18	113.30	+1.08
Raw Materials	118.71	117.12	-1.59
Consumer Goods	100.29	100.06	-0.23
Miscellaneous	131.95	133.85	+1.47

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

Malaysia Stocks Hit By Negara

Credit Tightened By Central Bank

KUALA LUMPUR — Malaysia's stock and money markets were plunged into confusion Wednesday after the central bank took tough measures to drain liquidity from the banking system.

The ringgit plunged to a two-year low against the dollar, and stocks went into a free fall as over-

seas funds pulled out profits they had made in a dizzying bull market that had begun to worry the government.

The Kuala Lumpur stock market's composite index soared 90 percent in 1993.

The central bank, Bank Negara, said late Tuesday it was taking new measures that would effectively drain billions of dollars from the banking system.

It followed that up with changes Wednesday in the way it calculates banks' so-called eligible liabilities, measures that would require banks to put still more money aside as reserves.

The composite index, which fell 5.57 percent Tuesday after a government official warned that share prices were too high, plunged more than 6 percent, or a record 73.33 points.

In the currency market, the dollar was quoted as high as 2.74 ringgit at one point. It fell to 2.7220 ringgit later but was still well above Tuesday's close of 2.6615.

Analysts, however, still said the Malaysian currency and the stock market were fundamentally strong because of the buoyant economy.

"Short term, it is bad news for the stock market," Choong Khuan Hock, managing director of Barclays de Zoete Wedd (Malaysia), said of the central bank's moves.

"But in the medium term, bringing liquidity down will ensure that the bull run is more sustainable, because it was really getting out of hand," (Reuters, Bloomberg)

Ties That May Bind U.S.

Gore Hits a Blow for Communications

By Edmund L. Andrews

New York Times Service

WASHINGTON — Few subjects are closer to Vice President Al Gore's heart than the development of an advanced communications network for the country, but on this matter the administration has decided it is wiser to coax than to dictate.

In a speech in Los Angeles, Mr. Gore outlined a series of legislative initiatives aimed at promoting the construction of an advanced nationwide network that can link classrooms, electronic libraries, rural doctors and people at home.

But in terms of federal technology initiatives, this is a far cry from the crash program in the 1960s to put a man on the moon. The federal government is too pressed to finance any of the new network construction, which could total as much as \$400 billion over the next 20 years, and few experts think the government should even try.

The cable television and telephone industries are already racing to lay thousands of miles of optical fiber and buying new computers to store and distribute everything from movies to electronic books.

The last thing the administration wants to do is spoon investors with regulatory overbearing. Instead, the administration is hoping to influence events by reducing the regulatory barriers that have prevented competition between telephone and cable television companies.

The administration also wants to promote standards that allow different networks to communicate with each other and gently prod the industry's players to think about the broader public interest.

Thus, in his speech Tuesday, Mr. Gore "challenged" telephone and cable companies to link all classrooms, libraries and health clinics to an inter-

active video and data network by 2000. He did not suggest that government would force them to do it, or even propose how they should do it.

Likewise, while laying down the basic principles for a broad new regulatory regime that takes account of explosive changes in technology and the marketplace, Mr. Gore made it clear that many of the details would have to be worked out by the Federal Communications Commission.

Still, his effort is important for several reasons. More than at any time in the last 20 years, there is a consensus in private industry and in Congress that the time is ripe for a major revision of communications laws, some of which date back to the Communications Act of 1934.

The essence of that consensus is to relax barriers and permit much greater competition between the local telephone, cable and long-distance companies — while protecting consumers as old regulations are abandoned in favor of marketplace competition.

The goals enunciated by the vice president dovetail with legislation drafted by top lawmakers in the House and the Senate. Indeed, the White House has taken scrupulous care to avoid upsetting delicate compromises that lawmakers on the House Energy and Commerce Committee have already worked out among different factions of the communications industry.

By putting its muscle behind this emerging consensus, specialists say, the White House greatly increases the chances that Congress will pass far-reaching changes that could unlock billions of dollars in investment and lay down rules of the road in an era of expanded communications.

German Banks Face Off Over Metallgesellschaft

By Brandon Mitchener

International Herald Tribune

FRANKFURT — Creditors and shareholders of Metallgesellschaft AG played brinkmanship over the founding German metals group Wednesday, missing a deadline to agree on a bailout and pushing the company one step closer to bankruptcy.

Deutsche Bank AG, the largest shareholder in Metallgesellschaft as well as coordinator of the rescue program, said: "If no agreement is reached soon, Metallgesellschaft will have to hand over its affairs to the courts." The company asked its 120 creditors to accept the rescue plan swiftly and "as a whole."

But Norddeutsche Landesbank Girozentrale in Hannover, a large German bank that is one of Metallgesellschaft's top five creditors, repeated on Wednesday that it would not support the rescue plan unless "Deutsche Bank budges first."

In rejecting the plan, NordLB proposed an equity writedown, which would dilute the influence of Deutsche Bank, Dresdner Bank

and other large institutional shareholders, effectively punishing them for any part they might have played in the confusion.

Deutsche Bank and Dresdner Bank, which were already heavily exposed to Metallgesellschaft's losses, have extended their credit lines by another 750 million DM each, but NordLB has argued that they should shoulder an even bigger burden because of their involvement in the company's affairs.

Metallgesellschaft shares fell 10 Deutsche marks, to 226 DM, on the Frankfurt Stock Exchange on Wednesday.

"I think we need more time to coordinate the 100-plus creditors," Deutsche Bank Chairman Hilmar Kopper said in Reuters in Berlin.

[Barclays PLC said Wednesday that it was supportive in principle of the restructuring plan proposed by Metallgesellschaft AG. AFP-Exel News reported from London. "We have made a constructive response to Deutsche Bank in this connection," a Barclays spokesman said.]

Metallgesellschaft has said that key shareholders such as Allianz AG Holding, Daimler-Benz AG and the Kuwait Investment Office have indicated that their agreement to the plan was dependent on acceptance by the banks.

Weighing each institution's answer would probably delay an announcement until late Thursday or Friday, sources said. Some expected NordLB to back down and agree to the accord.

The metals giant has said it would begin bankruptcy proceedings immediately if its creditors turned down the rescue proposals.

Deutsche Bank warned Wednesday that the cost of letting Metallgesellschaft fail would undoubtedly exceed the cost of a rescue for shareholders and creditors alike.

"Self-interest dictates the need for an agreement," it said. Creditors could only expect to receive 40 to 50 percent of their 9 billion DM in loans to the company if it declared insolvency.

Alcatel Expected to Control Framatome

By Jacques Neher

International Herald Tribune

PARIS — Framatome SA, the French state-controlled builder of nuclear power plants, will enter the private sector, the industry Ministry said Wednesday, and Alcatel Alsthom SA appeared likely to become its new owner.

Gérard Longuet, the industry minister, said Framatome would be sold in an off-market transaction, rather than in a public stock offering, because the company was not well known enough to spark wide investor interest.

He said that he had asked the Privatization Commission to work up a valuation for the company's shares.

Analysts, however, said the decision to make Framatome an off-market privatization would facilitate transferring the state's shares to Alcatel Alsthom, which already owns 44.1 percent of Framatome and has long wanted to regain majority control it had obtained, and then lost,

in 1990 in a showdown with the then-Socialist government.

"When the government says it wants to put Framatome into private hands, it means Alcatel Alsthom's hands," said Kevin Bruu, analyst at Credit Suisse First Boston in London.

In an interview published in Les Echos on Wednesday, Pierre Suard, chairman of Alcatel Alsthom, said the government was well aware of his interest in obtaining majority control and he thought that efforts were under way to carry out the privatization.

Aside from the stake held by Alcatel Alsthom, the state has indirect interests in Framatome through a 36 percent holding by CEA, the French Atomic Energy Agency; a 10 percent stake held by Electricité de France, the national electric utility, and 5 percent held by Credit Lyonnais. An additional 5 percent is spread among Framatome employees.

Company sources suggested that 5 percent of the 7 percent required to give Alcatel Alsthom majority control would most likely be surrendered by Credit Lyonnais, which is trying to focus on core banking activities and return to profitability. Analysts suggest that the 7 percent stake could be valued at 1.5 billion francs.

Framatome had sales in 1993 of 16 billion francs and net profits of 900 million francs. Sales are expected to boom in 1994 as high as 20 billion francs, as two reactors built at Daya Bay in China, and now operational, are to be billed.

However, the future for Framatome is clouded by a frigid international market for nuclear power plants. The company is in a joint venture with Kraftwerk Union AG, the nuclear plant unit of Siemens AG, to design an advanced nuclear reactor for export markets, but there is not likely to be any demand in Western Europe for such plants in the foreseeable future, analysts say.

INTERNATIONAL MANAGER

Is It Really the Next Paramount?

By Pamela Kruger

New York Times Service

In a small office outside Los Angeles, Leonard Modinow is hard at work thumbing through books like "Science Fables You Won't Believe" and "Isaac Asimov's Book of Facts."

An employee of Knowledge Adventure Inc., a young multimedia software company in La Cienega, California, Mr. Modinow is looking for "weird science facts" to include in an educational computer game, combining video, sound, graphics and text, that he is developing for children. "Did you know," he said, grinning, "that snails sleep for three years?"

Mr. Modinow is in a good mood. Last spring, he was just another television writer for hire in Los Angeles, churning out scripts with sometimes dubious premises. (His last: "a parody of 'The Manchurian Candidate' in the area of denting.")

Now, he is an employee, with stock options, at a hot little interactive media company, which is winning industry praise for its quality programs. "It's really exciting," said Mr. Modinow, 37. "It's like getting in on the ground floor of what you hope will be the next Paramount."

Indeed, seemingly overnight, the interactive multimedia industry has become a new glamour field, spawning managers and media bigwigs as drawing such entertainment and media bigwigs as Strauss Zelnick, who quit last summer as president of the 20th Century-Fox Film Corp. to become the head of a small video-game company, Crystal Dynamics Inc. of Palo Alto, California.

It's like investment banking was 10 years ago, said Andrew Postman, a producer at Knowledge Adventure. "It's attracting a lot of smart people who are looking for opportunity on the door won't get in, at least not now. For although virtually every major publishing house and Hollywood stu-

dio has announced plans to develop sophisticated multimedia software, and although cable, telephone and computer companies are forming alliances to test interactive TV systems, many of these ventures are in their infancy. It will be years before they translate into large numbers of jobs.

"There are a lot more people in the business, but it's a very small base we're building from," said Tim Boyle, acting executive director of the Multimedia Development Group, a San Francisco-based trade association for 360 multimedia companies in the Bay Area. "There is still a lot of hiring in quest and two."

And many of those who have landed jobs, like Mr. Modinow, say they have taken pay cuts to break into the field, hoping that their stock options will soar in value.

A recent survey of 200 multimedia companies by Dataquest Inc., a market research firm in San Jose, California, found that 45 percent had annual revenues of less than \$100,000. Nearly 90 percent had fewer than 50 employees.

"Multimedia is still a starving-artist market," says Bruce Ryan, a market researcher. "There isn't a plethora of high-paying jobs out there."

To be sure, some multimedia software companies, like Knowledge Adventure, Electronic Arts in San Mateo, and Compton's New Media in Carlsbad, are hiring en masse.

These companies, which were started by computer whizzes in California before the corporate titans discovered the market, have been doubling the tripling and even quadrupling their staffs as the price of multimedia, personal computers has grown for CD-ROMs, the compact disks for computers, whose massive storage capacity makes multimedia possible in computers and video-game machines.

Still, employees tend to be extremely selective about whom they hire. And they can afford to be.

See MULTIMEDIA, Page 13

Swiss Set To Toughen Money Law

Bloomberg Business News

BERN — Switzerland proposed measures Wednesday to toughen money-laundering laws, a step President Otto Stich called necessary to preserve the country's reputation as a "solid financial center."

The proposals, if adopted, would shift the onus for signaling suspected illegal activity to banks and other financial institutions.

Under Switzerland's current bank-secrecy law, banks are not required to disclose information on clients and transactions if they suspect illegal activity, unless asked to do so by authorities.

"The bank-secrecy law should not protect criminals," said Mr. Stich, who until recently was finance minister, at a press conference. "Switzerland's reputation is after all based on the fact that we are a solid financial center where you can't just do anything."

He said the proposal was a marked improvement over the current law because it made not only banks but every member of the financial sector responsible for reporting suspect activity.

The law would affect investment-management firms, insurance companies, the Swiss postal service and individuals such as fiduciary trustees, lawyers and others who undertake cash or credit transactions.

Bubble Bursts for the Bust Business

By Alison Leigh Cowan

New York Times Service

NEW YORK — The legions of lawyers, accountants and investment bankers who have made good livings in the last few years working out the bad-debt cases of the 1980s are about to face their worst fears: the bankruptcy business is going bust.

Last year, for the first time since 1989, fewer companies entered bankruptcy than left, helping slow the volume of billion-dollar cases to a trickle.

That helps explain why America's roughly 20,000 bankruptcy specialists are clinging fast to the clients they have left — and are turning the last megadollar cases like R.H. Macy & Co. into all-you-can-eat buffets.

"If you take a look around, there really aren't too many other major busted 1980s deals sitting there in bankruptcy," said Robert L. Miller, a lawyer at Berlach, Isaacs & Liberman who represents Macy's bondholders. "This seems to be the last one."

The bankruptcy fees in the Macy case, while not the largest ever, are a stunning

illustration of the meal-ticket mentality. Already 11 professional firms, representing the creditors and bondholders, have won more than \$37.9 million in fees from the two-year-old case, which is expected to take another year or two to resolve.

Weil Gotschal, alone, has billed Macy \$13.5 million, more than a third of the total fees. At the firm, 126 people call Macy their client: 31 partners, 50 associates and 45 other employees. And at least 24 of those lawyers each bill more than \$10,000 a calendar quarter.

For five years now, one big company after another sought refuge in the bankruptcy courts, clogging the courts and making a bankruptcy filing as routine as a Hollywood hangover. Consumers learned not to care when a beloved airline or retailer took the cure — although competitors often complained that bankrupt rivals had an unfair edge, taking advantage of the temporary moratoriums on their debt to lower prices ruthlessly.

As the megabankruptcies swelled, so did the number of people feeding off their carcasses. Nearly 20,000 Americans now make

their living from bankruptcy-related work, according to Joel W. Lustig, the publisher of the National Directory of Corporate Distress Specialists.

That head count includes 12,500 lawyers, 2,000 turnaround managers, 700 accountants, and 650 finance specialists, and does not begin to cover the thousands of people ranging from auctioneers to collection agents who operate on the fringes or spend only part of their time tending troubled businesses or their creditors.

But as the economy improves and companies renegotiate their debts, the bankruptcy banquet is coming to a close. Indeed, last year, 93 companies left bankruptcy while only 83 companies entered, according to Edward I. Altman, a New York University finance professor who studies distressed companies.

What is more, fewer of those filing are of spectacular size. Large companies with lots of layers of debt and equity are generally where the biggest killings are made since each faction wants its own representatives.

Ailing Rocket Industry Has U.S. in Orbit

By John Mintz

Washington Post Service

WASHINGTON — The U.S. space industry, which put Americans on the moon and was the leader in space discovery for decades, is now preoccupied with the goings-on in a remote town in the jungle of French Guiana, and it is begging the government for help.

The town of Kourou is the location of a high-tech launching site built by a team of European nations for rockets that are inexpensive to build and launch. The Europeans' Ariane rockets — like Russia's Proton rockets, launched from Kazakhstan, and China's Long Marches, lofted from the Gobi Desert — are so cheap that U.S. firms fear bankruptcy because they can't compete.

The industry is "on its way to being destroyed" if the U.S. government doesn't help, Norman R. Augustine, chairman of Martin Marietta Corp., told analysts last year. "You'll see people laid off by the thousands."

Last month Martin Marietta

doubled its investment in this risky business when it announced an agreement to buy General Dynamics Corp.'s rocket division for \$208 million.

That deal will pay off, industry analysts said, only if the government helps finance development of

University's National Security Studies Program, in a new study.

Those desiring to launch satellites confront this bottom line: U.S. rockets can put objects into orbit for \$12,000 per pound of payload, and the upcoming Ariane 5 will be able to do it for \$8,000 per pound.

Federal agencies — including the National Aeronautics and Space Administration, the Pentagon and the Central Intelligence Agency — have been bitterly divided on how to solve the problem.

But in recent weeks the White House's Office of Science and Technology Policy, concerned that continued inaction will guarantee foreign domination, has begun a fast-track study of how to rejuvenate the American "lift" industry.

U.S. rockets can put objects into orbit for \$12,000 per pound of payload, and the upcoming Ariane 5 will be able to do it for \$8,000 per pound.

CURRENCY & INTEREST RATES

Cross Rates	Jan. 12	Jan. 13
Australian dollar	1.49	1.49
British pound	1.64	1.64
Canadian dollar	0.71	0.71
French franc	6.55	6.55
German mark	1.36	1.36
Italian lira	1,936	1,936
Japanese yen	147	147
Swiss franc	1.48	1.48
U.S. dollar	1.00	1.00

Other Dollar Values	Jan. 12	Jan. 13
Australian dollar	0.67	0.67
British pound	0.61	0.61
Canadian dollar	0.29	0.29
French franc	0.16	0.16
German mark	0.05	0.05
Italian lira	0.82	0.82
Japanese yen	0.007	0.007
Swiss franc	0.07	0.07
U.S. dollar	1.00	1.00

Forward Rates	30-day	60-day	90-day	120-day	150-day	180-day
Australian dollar	0.67	0.67	0.67	0.67	0.67	0.67
British pound	0.61	0.61	0.61	0.61	0.61	0.61
Canadian dollar	0.29	0.29	0.29	0.29	0.29	0.29
French franc	0.16	0.16	0.16	0.16	0.16	0.16
German mark	0.05	0.05	0.05	0.05	0.05	0.05
Italian lira	0.82	0.82	0.82	0.82	0.82	0.82
Japanese yen	0.007	0.007	0.007	0.007	0.007	0.007
Swiss franc	0.07	0.07	0.07	0.07	0.07	0.07
U.S. dollar	1.00	1.00	1.00	1.00	1.00	1.00

Key Money Rates	Jan. 12	Jan. 13
U.S. Treasury bill	5.50	5.50
U.S. Treasury note	6.00	6.00
U.S. Treasury bond	7.00	7.00
U.S. Treasury bill	5.50	5.50
U.S. Treasury note	6.00	6.00
U.S. Treasury bond	7.00	7.00

rates of 3 mths.		Jan. 12		Jan. 13		Jan. 12		Jan. 13	
a: To buy one pound; b: To buy one dollar.		Jan. 12		Jan. 13		Jan. 12		Jan. 13	
a: To buy one pound; b: To buy one dollar.		Jan. 12		Jan. 13		Jan. 12		Jan. 13	
a: To buy one pound; b: To buy one dollar.		Jan. 12		Jan. 13		Jan. 12		Jan. 13	
a: To buy one pound; b: To buy one dollar.		Jan. 12		Jan. 13		Jan. 12		Jan. 13	
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MARKET DIARY

Profit-Takers Bite Into Dow for 2d Day

Compiled by Our Staff From Dispatches

NEW YORK — Blue-chip stock prices were eroded by mild profit-taking Wednesday as the market appeared to consolidate gains from the six-day bull run that ended earlier this week.

The Dow Jones industrial average, which retreated 15.20 points Tuesday, closed off 1.68 points on Wednesday at 3,848.63. It had fallen by as much as 25 points in the course of the session.

In spite of the fall in the Dow, advances topped declines by a mar-

N.Y. Stocks

gin of 12 to 11 on the New York Stock Exchange, indicating Wednesday's pullback might have represented little more than a continuation of Tuesday's shallow corrective action after the previous run, which included four consecutive record Dow closes.

Trude Laimier, vice president and chief market strategist at Wayne Grayson Capital Corp., called the market's continued retreat "a healthy consolidation."

"We're getting a bit ahead of ourselves, and I'd be very happy if we pulled back some more," she said. "Otherwise, we'll become too vulnerable."

Volume totaled 309.9 million shares on Wednesday, up from 304.6 million on Tuesday.

The market had been boosted ear-

Low-Inflation Report Sends Dollar Down

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell in active trading Wednesday after a report on producer prices in December indicated inflationary pressures were still slight.

Analysts said the news that wholesale prices fell 0.1 percent in the United States last month indi-

Foreign Exchange

cated that the Federal Reserve Board would be disinclined to raise interest rates to defend against inflation. Lower interest rates tend to make a currency less attractive to international investors.

The dollar closed at 1.7339 Deutsche marks on Wednesday, down from 1.7419 DM at Tuesday's close, and to 1.1227 yen from 1.1249 yen. It also slipped to 1.4635 Swiss francs from 1.4780 francs and to 5.8960 French francs from 5.9210. The pound rose to \$1.5035 from \$1.4900.

"This throws cold water on the notion that the Fed will raise rates in the first quarter," Angelo Evans, analyst, vice president at Bank of Boston, said. "That means the dollar will weaken."

A series of strong economic re-

ports in the fourth quarter had prompted speculation that the Fed would raise rates to prevent a rise in the inflation rate. Higher rates would make dollar-denominated deposits more attractive, boosting the currency.

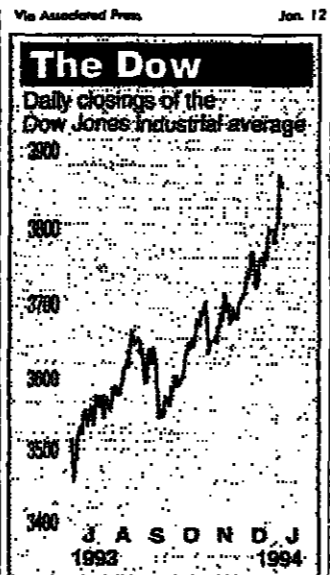
The bond market rallied on the news, with the 30-year Treasury bond gaining almost a point in price, bringing its yield down to 6.17 percent from 6.24 percent Tuesday.

The dollar was pushed back down by a Bundesbank council member, said he was "skeptical" that growth in Germany's money supply would slow enough to warrant a cut in interest rates in the near future.

The German government said Wednesday that consumer prices had risen 3.7 percent in 1993, up from an earlier estimate of 3.6 percent. Officials of the central bank have said they would like to see an inflation rate of 2 percent.

But Amy Smith, senior foreign exchange dealer at IDIA in New York, said the dollar's fall against the mark should be limited by the fact that the German economy is slumping. She said there was strong support for the dollar at 1.7250 DM.

(A.F.X. Knight-Ridder, Bloomberg)



NYSE Most Active

Vol.	High	Low	Last	Chg.
Amgen	4300	42 1/2	42 1/2	+1/2
Amgen	4300	42 1/2	42 1/2	+1/2
Amgen	4300	42 1/2	42 1/2	+1/2
Amgen	4300	42 1/2	42 1/2	+1/2
Amgen	4300	42 1/2	42 1/2	+1/2

AMEX Most Active

Vol.	High	Low	Last	Chg.
Amgen	4300	42 1/2	42 1/2	+1/2
Amgen	4300	42 1/2	42 1/2	+1/2
Amgen	4300	42 1/2	42 1/2	+1/2
Amgen	4300	42 1/2	42 1/2	+1/2
Amgen	4300	42 1/2	42 1/2	+1/2

NYSE Diary

Adv.	Decl.	Unch.
1142	104	104
1142	104	104
1142	104	104
1142	104	104
1142	104	104

Amex Diary

Adv.	Decl.	Unch.
1142	104	104
1142	104	104
1142	104	104
1142	104	104
1142	104	104

NASDAQ Diary

Adv.	Decl.	Unch.
1142	104	104
1142	104	104
1142	104	104
1142	104	104
1142	104	104

Dow Jones Averages

Open	High	Low	Last	Chg.
3855.10	3858.40	3854.97	3848.63	-1.68
3855.10	3858.40	3854.97	3848.63	-1.68
3855.10	3858.40	3854.97	3848.63	-1.68
3855.10	3858.40	3854.97	3848.63	-1.68
3855.10	3858.40	3854.97	3848.63	-1.68

Standard & Poor's Indexes

High	Low	Close	Chg.
553.2	549.4	551.4	-1.8
553.2	549.4	551.4	-1.8
553.2	549.4	551.4	-1.8
553.2	549.4	551.4	-1.8
553.2	549.4	551.4	-1.8

NYSE Indexes

High	Low	Close	Chg.
367.3	361.7	363.7	-0.1
367.3	361.7	363.7	-0.1
367.3	361.7	363.7	-0.1
367.3	361.7	363.7	-0.1
367.3	361.7	363.7	-0.1

NASDAQ Indexes

High	Low	Close	Chg.
785.5	783.5	785.5	-1.0
785.5	783.5	785.5	-1.0
785.5	783.5	785.5	-1.0
785.5	783.5	785.5	-1.0
785.5	783.5	785.5	-1.0

AMEX Stock Index

High	Low	Close	Chg.
478.8	478.4	478.7	+0.3
478.8	478.4	478.7	+0.3
478.8	478.4	478.7	+0.3
478.8	478.4	478.7	+0.3
478.8	478.4	478.7	+0.3

Dow Jones Bond Averages

High	Low	Close	Chg.
105.0	105.0	105.0	0.0
105.0	105.0	105.0	0.0
105.0	105.0	105.0	0.0
105.0	105.0	105.0	0.0
105.0	105.0	105.0	0.0

Market Sales

NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
29,270,000	29,270,000	29,270,000
29,270,000	29,270,000	29,270,000
29,270,000	29,270,000	29,270,000
29,270,000	29,270,000	29,270,000
29,270,000	29,270,000	29,270,000

N.Y.S.E. Odd-Lot Trading

Buy	Sell	Short
1,055,000	1,055,000	1,055,000
1,055,000	1,055,000	1,055,000
1,055,000	1,055,000	1,055,000
1,055,000	1,055,000	1,055,000
1,055,000	1,055,000	1,055,000

S&P 100 Index Options

Call	Put	Call	Put
119.12	119.12	119.12	119.12
119.12	119.12	119.12	119.12
119.12	119.12	119.12	119.12
119.12	119.12	119.12	119.12
119.12	119.12	119.12	119.12

EUROPEAN FUTURES

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Food

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Industrials

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Stock Indexes

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Spot Commodities

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Dividends

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

U.S. FUTURES

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Grains

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Metals

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Livestock

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Financial

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Stock Indexes

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Food

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Industrials

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Stock Indexes

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

U.S. AT THE CLOSE

Class	High	Low	Prev. Close
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00
COCA (LCE)	100.00	100.00	100.00

Producer Price Index Rises 0.2%

WASHINGTON (Reuters) — Tumbling oil prices pushed down wholesale prices in December by 0.1 percent, bringing the Producer Price Index for 1993 to a negligible 0.2 percent increase, the Labor Department said Wednesday.

It was the lowest annual rate for the wholesale inflation measure since 1991, when it declined by 0.1 percent. In 1992 the index rose 1.6 percent. Excluding the volatile food and energy figures, the core PPI rose a modest 0.2 percent in December, compared with a 0.4 percent November advance. For the year, the core PPI rose 0.4 percent, down sharply from 1992's 2.0 percent increase, the department said.

L.A. Times-PacTel Electronics Bid

LOS ANGELES (Bloomberg) — Times Mirror Co.'s Los Angeles Times, sticking its toe into the world of electronic home shopping, announced a venture with Pacific Telesis Group that will allow customers to request retail information and buy products by phone and computer.

Late this year, Southern Californians will be able to telephone shopping assistants who will help them tap into a database of business listings, classified and display advertising, promotional material and news stories, the companies said. The information will be read to them over the phone, faxed or mailed. Customers will also be able to buy some products over the phone and will have limited computer access to the databases, the companies said.

Tandy to Add 3,600 Jobs in '94

NEW YORK (Knight-Ridder) — Tandy Corp. said Wednesday that it would add more than 3,600 jobs this year in an accelerated expansion of its retail outlets.

John Roach, the chairman, said Tandy would add 24 SuperCenters and approximately 1,600 employees to its Computer City retail chain, build six new stores and add 1,800 employees to its Incredible Universe electronics chain, and hire 200 people to support the overall expansion plan.

Mesa Settles Lawsuit With Unocal

LOS ANGELES (UPI) — Unocal Corp. said Wednesday that it had agreed to a \$47.5 million settlement from T. Boone Pickens's Mesa Inc. and other parties stemming from the corporate raider's unsuccessful 1985 hostile takeover attempt.

The case had been scheduled to go to trial in U.S. District Court in Los Angeles on Feb. 22. Unocal and a shareholder had sued Mesa, of which Mr. Pickens is chairman, in 1986 over \$99 million in profits it said it was owed from purchases and sales of Unocal stock within a six-month period in 1985. Unocal was also seeking prejudgment interest, which could have topped \$50 million.

Burlington Hit by Energy Slump

SEATTLE (Bloomberg) — Depressed by falling energy prices, Burlington Resources Inc.'s fourth-quarter earnings fell 85 percent from a year earlier, excluding discontinued operations in the 1992 period.

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect intraday trades elsewhere. Via The Associated Press

(Continued)

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MULTIMEDIA: Is It Truly 'the Ground Floor of the Next Paramount'?

Continued from Page 9
given the sputtering nature of the economic recovery, which has lately seen American companies cutting an estimated 2,600 jobs each business day.

The flurry of corporate announcements and deal making in the multimedia business is drawing far more job seekers than can be accommodated, industry observers say.

A recent information session on

a new adult education program in multimedia studies at San Francisco State University. for example. was expected to attract an audience of "50, maybe 100" but instead drew more than 1,000, says the program director, Robert Bell.

The large corporations that have well-publicized interactive media departments, like Viacom Inc., the parent of MTV and other cable networks, are being inundated with résumés. Michele DiLorenzo, executive vice president of Viacom New

live vice president of Viacom New

Media, says she receives 50 to 100 a week.

Yet many of these companies actually have small staffs for interactive projects and have been focusing on developing alliances with established multimedia companies.

Since Viacom formed its division in October 1992, it has hired about 15 employees in New York, Ms. DiLorenzo says. The rest of the New Media staff — about 75 workers — are former employees of Icom Simulations, a Chicago video

co-game company that Viacom bought in May.

Meanwhile, many companies that talk big have actually been approaching the market cautiously. HarperCollins Publishers Inc., for instance, estimates that within the next 10 years, half of its reference book business will be in electronic media, yet it has three staff members in its new media department and won't offer any new products until at least next autumn, and then a handful.

[illegible]

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At L.A. Coliseum, the Unnecessary Roughness Is Mostly in the Stands

don't know until Saturday if they will have the \$33 it costs to attend Sunday's game. And the parking is another \$15 to \$25, depending on how close you can get and whether you want your car to be there when you get back.

At the end of Sunday's game, a small army of policemen and privately hired security people encircled the closed end of the Coliseum. People screamed things at them; you just cannot believe. Here and there you could see a parent and his or her children, and a few people who seemed as if they were as easily come by as touring a museum. But they were overwhelmed by tattoos and bare chests, by faces painted black and silver, by T-shirts that declared what fans of opposing teams might get done to them.

They poured happily into some of L.A.'s most unsettled and violent streets, many if not most of them to lives a far sight tougher than any football game.

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agents, questioned all skaters and coaches at the Olympic trials.

Harding and Gillyool talked to FBI agents in Detroit and checked in again with them Tuesday, Harding said.

Gillyool said he understood why the FBI had to investigate him.

"It's their job to follow up on this," Gillyool said. "Nobody likes being investigated by the FBI. But I understand their need to investigate."

● U.S. Olympic speedskater Kristen Talbot, who donated bone marrow in an effort to save her brother's life, could resume training as early as the end of the week, said a doctor who performed the transplant in Baltimore.

● **Pear Nedved can play for Canada** at the Lillehammer Winter Olympics, the International Ice Hockey Federation ruled. Nedved, defected to Canada as a teen-ager in 1989, but his international hockey rights remained in Czechoslovakia and were never transferred.

● **Skier Heinzer is Injured**

Former world champion Franz Heinzer suffered a concussion and facial cuts Wednesday in a training run on the daunting "Streif" World Cup, downhill course. Reuters reported from Kitzbühel, Austria.

He lost control on the 40-meter Seidshagen jump on the upper part

[illegible]

